



Department  
for Transport

Rail Franchising

East Midlands Franchise

Franchise Expressions of Interest  
(EoI)

December 2016  
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## Department for Transport

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# Introduction

Thank you for expressing an interest in the East Midlands Franchise competition.

This Franchise Expression of Interest (Eol) forms part of the Franchise Eol Pack and should be read together with the Franchise Pre-Qualification Process Document (PPD). The Franchise PPD provides full details of the pre-qualification process for the Franchise, terms and definitions and instructions for completion of this questionnaire.

This Franchise Eol stage is the second stage in the Authority's process of evaluating Franchise Applicants who are interested in providing passenger rail services in respect of the Franchise, to determine their capability and suitability to provide these services. The first stage in that process involved applications for Passports.

This Franchise Eol primarily evaluates economic and financial standing (see Part C). Together with the Passport System it aims to simplify this stage of the process. Therefore, the Franchise Eol does not duplicate requests for the information that was sought at the Passport stage. Franchise Applicants are required to declare that the information that has already been provided in respect of Parts B and C of the Passport Application and/or Temporary Visa Information (as applicable) is up to date and that the information provided in respect of Parts D and E remains accurate.

If on receipt of the Franchise Applications the Authority receives more than four Franchise Applications, it will request responses to Further Technical Questions in respect of capability and technical ability and score those responses for the purposes of shortlisting. These questions (along with the process for evaluating the answers to them) have been placed in a separate document entitled "Further Technical Questions" which is available for Franchise Applicants to view now on the Franchise section of the franchising e-sourcing portal. Franchise Applicants should note that responses to these questions will **not** be required unless the Authority expressly requests them. Please refer to the Franchise PPD for further details.

This Franchise Eol and the supporting Franchise PPD are issued by the Authority pursuant to its functions and duties under the Railways Act.

If and to the extent of any inconsistency or conflict between any of the documents in the Franchise Eol Pack, the order of priority for the purposes of construction is, in descending order:

- the Franchise Letting Process Agreement (FLPA);
- this Franchise Eol;
- the Franchise PPD; and

- any other information provided or made available on the Franchise section of the franchising e-sourcing portal (including the Prospectus).

The Authority reserves the right to eliminate the Franchise Applicant from this Franchise Letting Process if at any point in this process it is established that the information which the Franchise Applicant has provided to the Authority is false or inaccurate including as a result of an omission or misrepresentation or because although the information was true and accurate when provided to the Authority, it subsequently ceased to be so but the Franchise Applicant failed to notify the Authority accordingly.

If following the award of the Franchise Agreement, it is established that that the information which the successful Franchise Applicant has provided to the Authority is false or inaccurate including as a result of an omission or misrepresentation or because although the information was true and accurate when provided to the Authority, it subsequently ceased to be so but the Franchise Applicant failed to notify the Authority accordingly the Authority reserves the right to terminate the Franchise Agreement. This Franchise EoI forms part of a competitive procurement conducted in accordance with relevant legal requirements including Regulation 1370/2007.

The Authority is not and shall not be liable for any expenses, costs or liabilities incurred by a Franchise Applicant making a Franchise Application or negotiating or bidding for a franchise agreement or any other agreement entered into in connection with such franchise agreement, or any such costs incurred by their Affiliates or any other person. In particular, the Authority is not and shall not be liable for any expenses, costs or liabilities incurred by a Prospective Passport Holder making a Franchise Application without knowing the outcome of their Passport Application.

The Authority reserves the right not to award a franchise agreement, or any contract, to make whatever changes it sees fit to the structure and timing or any other aspect of this Franchise Letting Process (including by way of issuing updates and amendments to this Franchise EoI), to cancel this Franchise Letting Process in its entirety at any stage and, where it considers it appropriate to do so, to make a direct award pursuant to Regulation 1370/2007.

## PART A: ORGANISATION AND CONTACT DETAILS

All Franchise Applicants should provide the information requested in A01.

Where the Franchise Applicant is the Passport Holder or Temporary Visa Holder (as applicable), the information requested in A1, A4 and A5 does not need to be provided again, but the Franchise Applicant should confirm that the information submitted in the Passport Application or Temporary Visa Information (as applicable) remains unchanged (by stating "unchanged" in response to the relevant question and/or by providing a clearly worded general statement applicable to multiple questions) or provide details of the changes.

Where the Franchise Applicant is a wholly owned subsidiary of the Passport Holder or Temporary Visa Holder (as applicable), the information requested in A1, A4 and A5 should be provided only for the Franchise Applicant itself. The Franchise Applicant should also confirm that the relevant information relating to the Passport Holder or Temporary Visa Holder submitted in the Passport Application or Temporary Visa Information (as applicable) remains unchanged (as above) or provide details of the changes.

In A.2 the Franchise Applicant should provide a single point of contact for this Franchise Letting Process (which may be different to the point of contact provided for Passport purposes).

Please note that joint ventures or consortia can be incorporated or unincorporated at this stage, but that a single purpose entity (to be a wholly owned subsidiary of the Passport Holder or Temporary Visa Holder (as applicable) that meets the conditions set out in section 5.5 of the Franchise PPD), must be formed if the Franchise Applicant (which is at that time an unincorporated joint venture or consortium) is successful in being awarded the Franchise Agreement by the Authority.

| <b>A0. PASSPORT</b> |   |  |
|---------------------|---|--|
| A0.1                | Please provide details of the Franchise Applicant's eligibility for this Franchise Letting Process, including confirming the Passport and/or Temporary Visa (as applicable) that the Franchise Applicant is relying on. |  |

| <b>A1. ORGANISATION DETAILS</b> |   |  |
|---------------------------------|---|--|
| A1.1                            | The Franchise Applicant is a joint venture or consortium (Yes |  |

|       |  |                          |
|-------|--|--------------------------|
|       | / No).<br><br>If the answer is "Yes" to this question, please provide the full names of each member of the joint venture or consortium and indicate whether the joint venture or consortium is incorporated or unincorporated. |                          |
| A1.2  | Full name of Franchise 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)  | a public limited company |
|       |  | a limited company        |
|       |  | a limited liability      |

|       |   |  |  |
|-------|---|--|--|
|       |   | partnership  |  |
|       |   | other partnership  |  |
|       |   | sole trader  |  |
|       |   | other (please specify)   |  |
| A1.12 | Please tick the relevant boxes to indicate whether any of the following classifications apply to the Franchise Applicant. | Voluntary, Community and Social Enterprise (VCSE) (as defined in regulation 112(4) of the Public Contracts Regulations 2015) |  |
|       |   | Small or Medium Enterprise (as defined in regulation 112(4) of the Public Contracts Regulations 2015)                        |  |
|       |   | sheltered workshop   |  |
|       |   | public service mutual  |  |

**A2. FRANCHISE APPLICANT CONTACT DETAILS FOR THIS FRANCHISE LETTING PROCESS**

|      |  |  |
|------|--|--|
|      | Provide details of the contact person who will act as the single point of contact for all queries and correspondence relating to this Franchise Letting Process. |  |
| A2.1 | Name   |  |
| A2.2 | Position   |  |
| A2.3 | Role in Bid Team   |  |
| A2.4 | Full Postal Address  |  |
| A2.5 | Country  |  |
| A2.6 | Phone  |  |
| A2.7 | Mobile   |  |
| A2.8 | Email  |  |



### **A3. SINGLE PURPOSE ENTITY**

|      |   |  |
|------|---|--|
| A3.1 | Where the Franchise Applicant is an unincorporated joint venture or consortium, please explain the envisaged shareholdings in the single purpose entity which the Franchise Applicant intends to form in the event that the Franchise Applicant is successful in being awarded the Franchise Agreement. |  |
|------|---|--|

**A4. MANAGEMENT AND GOVERNANCE**

|      |   |  |
|------|---|--|
|      | Please provide the following information and confirm that the Franchise Applicant has done so by stating "Yes" or "No" to each question (or state "unchanged" as explained above).  |  |
| A4.1 | An organisation chart depicting the Franchise Applicant's management structure;   |  |
| A4.2 | A copy of the Franchise Applicant's memorandum and articles of association or other constitutional documents (in English);  |  |
| A4.3 | A list of the Franchise Applicant's directors (identifying whether they are current or prospective), other directorships held, and legal jurisdiction of those directorships;   |  |
| A4.4 | A list of shareholders holding an interest of more than three per cent of the Franchise Applicant's share capital or voting rights, together with a list of persons exercising directly or indirectly a dominant influence over the Franchise Applicant;  |  |
| A4.5 | <p>A copy of the Franchise Applicant's shareholders' 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> |  |

**A5. LICENSING AND REGISTRATION**

|      |   |  |
|------|---|--|
|      | Please state "Yes" or "No" to each question (or state "unchanged" as explained above). If the response is "Yes", please provide the additional information requested below.   |  |
| A5.1 | Is the Franchise Applicant registered with the appropriate trade or professional register(s) in the EU member state where it is established (as set out in Annex XI of Directive 2014/24/EU) under the conditions laid down by that member state? If yes, please provide the registration number.                               |  |
| A5.2 | Is it a legal requirement in the state where the Franchise Applicant is established for it to be licensed or be a member of a relevant organisation in order to provide passenger rail services? If yes, please provide additional details of what is required and confirm that the Franchise Applicant has complied with this. |  |

# PART B: GROUNDS FOR DISCRETIONARY REJECTION

| <b>B1. FRANCHISE SPECIFIC GROUNDS FOR DISCRETIONARY REJECTION</b> |   |  |
|---|---|--|
|   | <p>Please indicate if any of the following situations have applied within the past 3 years, or currently apply, to:</p> <ul style="list-style-type: none"> <li>• the Franchise Applicant;</li> <li>• a person who is a member of the administrative, management or supervisory body of the Franchise Applicant, or a person who has powers of representation, decision or control in respect of the Franchise Applicant (including any director or partner of the Franchise Applicant);</li> <li>• where the Franchise Applicant is a joint venture or consortium, any of the members of that joint venture/consortium;</li> <li>• where the Franchise Applicant is a joint venture or consortium, a person who is a member of the administrative, management or supervisory body of a joint venture/consortium member, or a person who has powers of representation, decision or control in respect of a joint venture/consortium member (including any director or partner of a joint venture/consortium member),</li> </ul> <p>and references in the following to "the Franchise Applicant" shall be read accordingly.</p> <p>Please state "Yes" or "No" to each question.</p> |  |
| <p>B1.1</p>   | <p>There is a conflict of interest in respect of this Franchise Letting Process that cannot effectively be remedied by measures less intrusive than rejection under this Part B1.</p> <p>For the purposes of B1.1, the concept of "conflict of interest" includes any situation where the Franchise Applicant is aware that relevant staff members have, directly or indirectly, a financial, economic or other personal interest which might be perceived to compromise their impartiality and independence in the context of this Franchise Letting Process.</p> <p>"relevant staff members" means staff members of the Authority, or of a procurement service provider acting on behalf of the Authority, who are involved in the conduct of</p>   |  |

|      |   |  |
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|      | <p>this Franchise Letting Process or may influence the outcome of this Franchise Letting Process.</p> <p>"procurement service provider" means a public or private body which offers ancillary purchasing activities on the market.</p> <p>Where there is any indication that a conflict of interest exists or may arise then it is the responsibility of the Franchise Applicant to inform the Authority, detailing the conflict in a separate Appendix.</p> <p>Provided that it has been carried out in a transparent manner, routine pre-market engagement carried out by the Authority should not represent a conflict of interest for the Franchise Applicant.</p>  |  |
| B1.2 | <p>The prior involvement of the Franchise Applicant in the preparation of this Franchise Letting Process has resulted in a distortion of competition, as referred to in regulation 41 of the Public Contracts Regulations 2015 that cannot be remedied by measures less intrusive than rejection under this Part B1.</p>  |  |
| B1.3 | <p>The Franchise Applicant has shown significant or persistent deficiencies in the performance of a substantive requirement under:</p> <p>(i) any passenger transport contract or operation in which the Franchise Applicant has been engaged within the last 3 years and which has an annual revenue of at least £40million (or equivalent amount in the State in which the contract or operation is or was performed);</p> <p>(ii) any contract or operation which has been referenced in the responses to Part D and/or Part E of the Passport PQQ (in the Passport Application and/or Temporary Visa Information as applicable), in which the Franchise Applicant has been engaged within the last 3 years; or</p> <p>(iii) any other contract or operation which the Franchise Applicant intends to reference in the responses to the Further Technical Questions (if the Further Technical Questions are activated), in which the Franchise Applicant has been engaged within the last 3 years which led to early termination of that prior contract, damages, enforcement action taken pursuant to Section 55 of the Railways Act (or equivalent under the laws and regulations of any State),</p> |  |

|      |  |  |
|------|--|--|
|      | failure to be awarded a contract renewal or extension, or other comparable action or sanctions.  |  |
| B1.4 | The Franchise Applicant:   |  |
|      | (i) has been guilty of serious misrepresentation in supplying the information required for the verification of the absence of grounds for exclusion or rejection or the fulfilment of selection criteria; or |  |
|      | (ii) has withheld such information.  |  |
| B1.5 | The Franchise Applicant has undertaken to:   |  |
|      | (i) unduly influence the decision-making process of the Authority, or  |  |
|      | (ii) obtain confidential information that may confer upon it undue advantages in this Franchise Letting Process.   |  |

## **B2. UPDATE TO PASSPORT GROUNDS FOR REJECTION**

|  |   |
|--|---|
|  | <p>Within the past 5 years, has any of the following been convicted of any of the offences listed below:</p> <ul style="list-style-type: none"> <li>• the Franchise Applicant;</li> <li>• a person who is a member of the administrative, management or supervisory body of the Franchise Applicant, or a person who has powers of representation, decision or control in respect of the Franchise Applicant (including any director or partner of the</li> </ul> |
|--|---|

|      |  |  |
|------|--|--|
|      | <p>Franchise Applicant);</p> <ul style="list-style-type: none"> <li>• where the Franchise Applicant is a joint venture or consortium, any of the members of that joint venture/consortium;</li> <li>• where the Franchise Applicant is a joint venture or consortium, a person who is a member of the administrative, management or supervisory body of a joint venture/consortium member, or a person who has powers of representation, decision or control in respect of a joint venture/consortium member (including any director or partner of a joint venture/consortium member).</li> </ul> <p>Please state "Yes" or "No".</p> |  |
| B2.1 | An offence under section 1, 2 or 4 of the Modern Slavery Act 2015.   |  |

If you have answered "Yes" to any of questions B1.3 to B1.5 or B2.1 above, please provide details in a separate Appendix including:

- information about the offence or misconduct, or other relevant situation, including a summary of the relevant circumstances, key dates and who within the Franchise Applicant was involved;
- whether the Franchise Applicant has paid or undertaken to pay compensation in respect of any damage caused. Please provide any evidence;
- whether the Franchise Applicant has clarified the facts and circumstances in a comprehensive manner by actively collaborating with the investigating authorities. Please provide any evidence;
- whether the Franchise Applicant has taken concrete technical, organisational and personnel measures that are appropriate to prevent recurrences. Please provide any evidence; and
- any other relevant information that may be reasonably considered relevant to the Authority's consideration of the matter.

## PART C: ECONOMIC AND FINANCIAL STANDING

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

| <b>C1. FINANCIAL INFORMATION</b> |   |
|----------------------------------|---|
|                                  | <p>The Authority will require a Guarantee to be provided by one or more Guarantors. The financial information required by this Part C must be provided for the Guarantor (or, if there is more than one Guarantor, for each Guarantor), which will sign the undertaking in this Franchise EoI to provide the Guarantee under the Funding Deed. The Guarantor(s) must be a Controller of the Franchise Applicant (or of the single purpose entity to be formed by the Franchise Applicant to undertake the operation of the Franchise).</p> <p>The Franchise Applicant should satisfy itself that the Guarantor(s) meets the financial requirements of this Franchise EoI.</p> <p>The Authority reserves the right to contact Fitch, Moody's or Standard &amp; Poor's as appropriate to confirm any credit rating of the Guarantor(s) and/or the bond provider(s).</p> |
| C1.1                             | <p>Please provide the Guarantor(s)' audited financial statements for the most recent year.</p> <p>The Guarantor(s)' audited consolidated financial statements should be provided. Where these are not available, the Guarantor(s)' audited financial statements should be provided.</p> <p><i>Note to Franchise Applicants: If the relevant audited financial statements are subject to qualification, the Authority reserves the right to reject these where, in the opinion of the Authority, the qualification is material. Where the audited financial statements are rejected, the Franchise Application will be rejected and the Franchise Applicant will be eliminated from this Franchise Letting Process.</i></p>  |
| C1.2                             | <p>Please provide calculations for the financial tests described in section 4.3 of the Franchise PPD (Part C – Economic and Financial Standing). A template spreadsheet for Franchise Applicants to populate is provided at Annex B of this Franchise EoI. 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, the Franchise Applicant must provide evidence to justify any adjustments and the adjustment must be reconcilable to published documentation.</p>   |



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|      | <i>Note to Franchise Applicants: Calculations prepared by Franchise Applicants will be for information only. The Authority is not bound to use the calculations provided by the Franchise Applicant. It will calculate the results of the financial tests independently.</i>  |  |
| C1.3 | Please provide details of any material event subsequent to the issue of the audited financial statements referred to in C1.1 that would require adjustment (where audited financial statements are not yet reissued) or disclosure in accordance with the provisions of International Accounting Standards (IAS), International Financial Reporting Standards (IFRS), UK Generally Accepted Accounting Practices (UK GAAP) or other GAAP (depending on the Guarantor's accounting convention).  |  |
| C1.4 | Where the Guarantor(s) has a (have) credit rating(s), please provide the most recent credit rating or confirmation of credit rating (in either case, issued within the last year) provided by Fitch, Moody's or Standard & Poor's.  |  |
| C1.5 | <p><i>Note to Franchise Applicants: any bond provider proposed must have a credit rating of equal to A- or above for Fitch and Standard &amp; Poor's or equal to A3 or above for Moody's. Where the bond provider has a lower credit rating, the letter of intent will be rejected, the Franchise Application will be rejected and the Franchise Applicant will be eliminated from this Franchise Letting Process.</i></p> <p>Where the Guarantor(s) cannot meet 3 out of the 4 financial tests described in section 4.3 of the Franchise PPD (Part C – Economic and Financial Standing), the Franchise Applicant must instead provide a letter of intent from a bond provider to secure 100% bonding for the Fixed Guarantee (or, where the Franchise Applicant wishes to proceed with multiple Guarantors, 100% bonding for the proportion of the Fixed Guarantee that the relevant Guarantor is to provide). A template letter of intent is provided at Annex C of this Franchise EoI.</p> <p>The template letter of intent sets out the minimum details that the bond provider must provide. The bond provider can provide further details in its letter of intent which are in excess of the minimum details.</p> <p>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 C1.1 to C1.4, it is unlikely that the bond provider will enter into a formal and binding commitment to provide the relevant bond.</p> |  |

|      |   |  |
|------|---|--|
|      | <p>Where the Franchise Applicant cannot provide such a letter that is acceptable to the Authority, the Franchise Application will be rejected and the Franchise Applicant will be eliminated from this Franchise Letting Process.</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 C of this Franchise Eol. The Franchise 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 Franchise Applicant and the Guarantor(s).</p>  |  |
| C1.6 | <p><i>Note to Franchise Applicants: any bond provider proposed must have a credit rating of equal to A- or above for Fitch and Standard &amp; Poor's or equal to A3 or above for Moody's. Where the bond provider has a lower credit rating, the letter of intent will be rejected, the Franchise Application will be rejected and the Franchise Applicant will be eliminated from this Franchise Letting Process.</i></p> <p>Where the Guarantor(s) can meet 3 or 4 out of the 4 financial tests set out in section 4.3 of the Franchise PPD (Part C – Economic and Financial Standing), the Franchise Applicant must nevertheless still provide a letter of intent from a bond provider to secure 50% bonding for the Fixed Guarantee. A template letter of intent is provided at Annex C of this Franchise Eol.</p> <p>The template letter of intent sets out the minimum details that the bond provider must provide. The bond provider can provide further details in its letter of intent which are in excess of the minimum details.</p> <p>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 C1.1 to C1.4, it is unlikely that the bond provider will enter into a formal and binding commitment to provide the relevant bond.</p> <p>Where the Franchise Applicant cannot provide such a letter that is acceptable to the Authority, the Franchise</p> |  |

|  |  |  |
|--|--|--|
|  | <p>Application will be rejected and the Franchise Applicant will be eliminated from this Franchise Letting Process.</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 C of this Franchise EoI. The Franchise 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 Franchise Applicant and the Guarantor(s).</p> |  |
|--|--|--|

## PART D: FURTHER TECHNICAL QUESTIONS

Please refer to the Franchise PPD for details of the Further Technical Questions and the circumstances in which these will be activated.

The Further Technical Questions are contained in a separate document available at on the Franchise section of the franchising e-sourcing portal.

Responses to the Further Technical Questions should **not** be submitted as part of the Franchise Application. The Further Technical Questions will only be activated where Franchise Applicants are to be ranked for the purposes of shortlisting as explained in section 4.4 of the Franchise PPD. Responses to the Further Technical Questions will not be required unless the Authority expressly confirms to Franchise Applicants that the Further Technical Questions have been activated and that it requires responses to them.

## DECLARATIONS AND AUTHORISATION

Please ensure that you have submitted all responses, information and documentation required by this Franchise EoI, and tick the appropriate boxes in the following table to confirm this:

|                                   |  |
|-----------------------------------|--|
| Part A                            |  |
| Part B                            |  |
| Part C                            |  |
| Part C<br>(Annex B)               |  |
| Part C<br>(Annex C)               |  |
| <i>Part D</i>                     | <i>Not applicable at this time. The Franchise Applicant will be notified if the Further Technical Questions are being activated.</i> |
| Franchise Applicant's Declaration |  |
| Guarantor's Declaration           |  |

Please provide a full list of any Appendices used to provide additional information in response to questions in this Franchise EoI. The following Appendices form part of the Franchise Application:

| <b>Part of Franchise EoI and question number</b> | <b>Appendix number</b> |
|--|------------------------|
|  |                        |
|  |                        |
|  |                        |
|  |                        |

Please ensure that:

- All documents requested are attached, and all Appendices are identified by section and question number;
- Any additional sheets clearly identify the section and questions being answered;
- The Franchise Applicant (and where the Franchise Applicant is a joint venture or a consortium, each of the members of that joint venture or consortium) has read and signed the Franchise Applicant's Declaration below; and
- The Guarantor (or, if there is more than one Guarantor, each Guarantor) has read and signed the Guarantor's Declaration below.

## **FRANCHISE APPLICANT'S DECLARATION**

***(Where the Franchise Applicant is a 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.

The information supplied is accurate to the best of my knowledge and I accept the conditions and give the undertakings requested in the Franchise EoI and Franchise PPD.

I certify the following by reference to the relevant part of the Passport PQQ, and the Passport Application and/or Temporary Visa Information (as applicable, and as referred to in response to A0.1 of this Franchise EoI), and except to the extent previously notified to the Authority in accordance with section 5.4 of the Passport PPD:

1. in respect of Part B (Grounds for Mandatory Rejection), none of the following has been convicted of any of the offences or has committed any of the breaches listed in that Part since the date of submission of the Passport Application and/or Temporary Visa Information (as applicable):
  - a. the Passport Holder
  - b. Temporary Visa Holder (if applicable);
  - c. any of the other persons described in that Part (where necessary for the interpretation of those descriptions, reading "Applicant" as "Passport Holder" or "Temporary Visa Holder"),
2. in respect of Part C (Grounds for Discretionary Rejection), none of the offences, misconduct, breaches or other relevant situations listed in that Part has applied to any of the following since the date of submission of the Passport Application and/or Temporary Visa Information (as applicable):
  - a. the Passport Holder;
  - b. the Temporary Visa Holder (if applicable);
  - c. any of the other persons described in that Part (where necessary for the interpretation of those descriptions, reading "Applicant" as "Passport Holder" or "Temporary Visa Holder"),
3. in respect of Part D (Capability and Technical Ability) and Part E (Health and Safety Management and Culture):
  - a. there is no change to the responses given to the questions in those Parts; and
  - b. the relevant information in those responses remains correct.

I understand that the information supplied will be used in the selection process to assess the Franchise Applicant's suitability to be awarded the Franchise Agreement. I also understand and accept that the provision of false information, or the omission of relevant information, could result in the Franchise Applicant's elimination from this Franchise Letting Process and, in certain circumstances, cancellation of the Passport awarded to the Franchise Applicant, 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 my experience has been relied upon in completing this Franchise Application, I currently intend to perform the works or services for which my experience has been relied upon in relation to the operation of the Franchise if the Franchise Applicant is successful in being awarded the Franchise Agreement.

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

[I confirm that the Franchise Applicant is a wholly owned subsidiary of the [Passport Holder] [Temporary Visa Holder] and that the conditions set out in section 5.5 of the Franchise PPD are met. *Note to Franchise Applicants: this paragraph should be included where the Franchise Applicant is a wholly owned subsidiary of the Passport Holder or Temporary Visa Holder, in accordance with section 5.5 of the Franchise PPD.*]

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

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 true and accurate in its entirety I shall inform the Authority accordingly without delay.

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

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

Name of signatory: \_\_\_\_\_

Role of signatory in Franchise Applicant's organisation: \_\_\_\_\_

Signature: \_\_\_\_\_

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.

I accept the conditions and give the undertakings requested in the Franchise Eol and Franchise PPD.

I understand that the information supplied will be used in the selection process to assess the Franchise Applicant's suitability to be awarded the Franchise Agreement. I also understand and accept that the provision of false information, or the omission of relevant information, could result in the Franchise Applicant's elimination from this Franchise Letting Process and, in certain circumstances, cancellation of the Passport awarded to the Franchise Applicant, 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 Franchise 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.

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 Franchise Application to the Authority without delay.

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

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

Name of signatory: \_\_\_\_\_

Role of signatory in Guarantor's organisation: \_\_\_\_\_

Signature: \_\_\_\_\_

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

## Annex A: Template for Appendices

Franchise Eol – Template for Appendices

Franchise Eol Section:

Question number:

## **Annex B: Economic and Financial Standing Spreadsheet**

See separate Excel spreadsheet.

## **Annex C: Bond Template Letter**

Director East Midlands Franchise  
Department for Transport  
Great Minster House  
33 Horseferry Road  
London  
SW1P 4DR

[DATE]

### **East Midlands Franchise Application by [Franchise Applicant]**

We are writing in respect of the submission by [XXXX] (the "Franchise Applicant") of a response to the Department for Transport ("the Authority") Franchise EoI dated [(XXX) (the "EoI")] for the East Midlands franchise. This letter [of intent] confirms our support as required by section [C1.5 / C1.6] of the EoI and provides the information required by the EoI and the Franchise PPD.

### **Statement**

[State that, the bond provider intends to provide a bond which is consistent with the requirements of the EoI and Franchise PPD and for [the whole [C1.5] / 50% [C1.6]] value of the Guarantor's portion of the Guarantee representing [£xm], to take effect from the start of the franchise agreement for a period of not less than three years].

### **Experience of providing similar bonds**

[Describe experience of providing similar bonds / experience of providing similar bonds to the Franchise Applicant].

### **Other Matters**

[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].

### **Credit Rating<sup>1</sup>**

[We provide at Annex [X] a copy of our most recent credit rating by [Fitch] / [Moody's] / [Standard & Poor's] which shows a credit rating of [A- or A3 or above]]  
or

[Confirmation of credit rating provided by either Fitch, Moody's or Standard & Poor's which shows a credit rating of A- or A3 or above].

### **Summary**

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<sup>1</sup> Note — credit rating needs to have been issued in the last 12 months.

[Bond providers standard wording re: status of the letter of intent — e.g. not binding and subject to credit committee approval];

[Confidentiality provisions].

[Explain the authority of the person signing the letter to make representations on behalf of the bond provider].

Yours faithfully,

[Bond provider's standard sign off — For and behalf of XXXX [plc]]

[Signature] [Print Name] [Job Title]