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Tender

## **Selection of an Investment Partner for the Global Centre of Rail Excellence**

GCRE Ltd

F02: Contract notice

Notice identifier: 2023/S 000-001623

Procurement identifier (OCID): ocids-h6vhtk-038790

Published 19 January 2023, 8:54am

### **Section I: Contracting authority**

#### **I.1) Name and addresses**

GCRE Ltd

Onllwyn

Neath Port Talbot

SA10 9HN

#### **Contact**

Tamara Evans

#### **Email**

[Strategicinvestment@gcre.wales](mailto:Strategicinvestment@gcre.wales)

#### **Telephone**

+44 7590603692

#### **Country**

United Kingdom

**NUTS code**

UKL - Wales

**Internet address(es)**

Main address

<http://www.gcre.wales/>

Buyer's address

[https://www.sell2wales.gov.wales/search/Search\\_AuthProfile.aspx?ID=AA81204](https://www.sell2wales.gov.wales/search/Search_AuthProfile.aspx?ID=AA81204)

**I.2) Information about joint procurement**

The contract is awarded by a central purchasing body

**I.3) Communication**

Access to the procurement documents is restricted. Further information can be obtained at

<https://etenderwales.bravosolution.co.uk/home.html>

Additional information can be obtained from the above-mentioned address

Tenders or requests to participate must be submitted electronically via

<https://etenderwales.bravosolution.co.uk/home.html>

Electronic communication requires the use of tools and devices that are not generally available. Unrestricted and full direct access to these tools and devices is possible, free of charge, at

<https://etenderwales.bravosolution.co.uk/home.html>

**I.4) Type of the contracting authority**

Body governed by public law

**I.5) Main activity**

Other activity

Railway Technology Testing Facility

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## **Section II: Object**

### **II.1) Scope of the procurement**

#### **II.1.1) Title**

Selection of an Investment Partner for the Global Centre of Rail Excellence

Reference number

GCRE\_Proc\_00005

#### **II.1.2) Main CPV code**

- 71541000 - Construction project management services

#### **II.1.3) Type of contract**

Services

#### **II.1.4) Short description**

GCRE Ltd (the "Company") is seeking a strategic investor to fund the Company. This is an investment and commercialisation opportunity in relation to the Global Centre of Rail Excellence ("GCRE"), a planned railway infrastructure and rolling stock testing, proving, demonstration and storage facility in South Wales, on a site of 700 hectares located within the Powys and Neath Port Talbot local authorities. GCRE is being developed by the Company, which is currently wholly owned by the Welsh Government.

The strategic investor, which could be a single investor or a consortium of investors, will acquire a majority shareholding in and control of the Company (being a minimum of 51%).

#### **II.1.6) Information about lots**

This contract is divided into lots: No

### **II.2) Description**

#### **II.2.2) Additional CPV code(s)**

- 09310000 - Electricity
- 09330000 - Solar energy
- 31121110 - Power converters
- 32500000 - Telecommunications equipment and supplies
- 32552420 - Frequency converter
- 34632300 - Electrical installations for railways
- 34940000 - Railway equipment
- 45111291 - Site-development work
- 45200000 - Works for complete or part construction and civil engineering work
- 45213000 - Construction work for commercial buildings, warehouses and industrial buildings, buildings relating to transport
- 45213313 - Service-area building construction work
- 45213320 - Construction work for buildings relating to railway transport
- 45230000 - Construction work for pipelines, communication and power lines, for highways, roads, airfields and railways; flatwork
- 45234000 - Construction work for railways and cable transport systems
- 45234112 - Railway depot construction work
- 45234115 - Railway signalling works
- 50220000 - Repair, maintenance and associated services related to railways and other equipment
- 50222000 - Repair and maintenance services of rolling stock
- 50224000 - Reconditioning services of rolling stock
- 65300000 - Electricity distribution and related services
- 66120000 - Investment banking services and related services
- 70112000 - Development of non-residential real estate
- 71311230 - Railway engineering services
- 71314000 - Energy and related services
- 71314100 - Electrical services

- 71314200 - Energy-management services
- 71540000 - Construction management services
- 71541000 - Construction project management services
- 79420000 - Management-related services
- 79421000 - Project-management services other than for construction work
- 79421100 - Project-supervision services other than for construction work

### **II.2.3) Place of performance**

NUTS codes

- UKL - Wales

Main site or place of performance

South Wales

### **II.2.4) Description of the procurement**

This is a procurement to acquire a controlling interest in GCRE Ltd (the "Company"). The Global Centre of Rail Excellence ("GCRE") is a planned railway infrastructure and rolling stock testing, proving, demonstration and storage facility in South Wales, on a site of 700 hectares located within the Powys and Neath Port Talbot local authorities.

For the rail industry and its supply chain, GCRE will provide a single site that brings people and ideas together, enabling world class research, testing and innovation. GCRE will be net zero in operation and will be the first purpose built large scale rail testing facility in the UK.

The capital deployment needed will occur over a period of 3 years with the aim to achieve full commercial operations in FY25/26.

GCRE's core revenues will be derived from the assets delivered by Investment Phases 1 and 2, which are described as follows:

1. Investment Phase 1: ground works, site preparation, outline design and the development of storage facilities.

2. Investment Phase 2: development of the rail infrastructure, including construction of a rolling stock testing track (outer loop with track length of 6.9km), an infrastructure testing track (inner loop with track length of 4km), additional storage and maintenance facilities, and the required building and civil works to make the site fully operational, including:

(a) assuring supply of cost effective, sustainable, and reliable energy to the site to support 24/7 operations; and

(b) working with local stakeholders to get access to relevant utilities and access infrastructure.

The total estimated capital cost to deliver Investment Phases 1 and 2 is c.GBP400m. Investment Phase 1 is already underway using public funding. Investment Phase 2 requires private funding.

There is also an opportunity to commercially exploit and develop the renewable energy opportunities available at the site in line with GCRE's energy strategy (which opportunity would be beyond the initial c.GBP400m investment).

The initial c.GBP400m investment is proposed to be funded through:

i) Public funding of GBP70m already committed and partially drawn down: Welsh Government equity investment of GBP50m and a GBP20m grant from the Department for Business, Energy and Industrial Strategy.

ii) Private funding of c.GBP330m. The strategic investor selected through this procurement process will take majority ownership and control of the Company.

Please note that this is a current estimate and work is underway to determine more precise value of the total capital cost. It should also be noted that site works (including award of the contract for earthworks) and relevant studies have already commenced.

There is also the opportunity to develop, over the course of time, other commercial / revenue opportunities related to land / real estate development on the site.

Potential returns will depend on many commercial factors including (but not limited to) market conditions.

Details about the requirements and the scope can be found in the Selection Questionnaire ("SQ") and the Memorandum of Information ("MOI") with a more detailed description of the Company, its business plan and investment requirements to be provided at the tender stage of the procurement process.

Access to procurement documentation:

The MOI will be provided by GCRE Ltd to the applicant following signing by the applicant of a non-disclosure agreement ("NDA") and returning it to GCRE Ltd at the email address above.

Access to the SQ and the NDA is unrestricted and you can access the SQ and the NDA in the Additional Documents section of Sell2Wales.

Bidders should seek independent legal and commercial advice in relation to the opportunity.

#### **II.2.5) Award criteria**

Price is not the only award criterion and all criteria are stated only in the procurement documents

#### **II.2.7) Duration of the contract, framework agreement or dynamic purchasing system**

Duration in months

36

This contract is subject to renewal

No

#### **II.2.9) Information about the limits on the number of candidates to be invited**

Envisaged minimum number: 3

Objective criteria for choosing the limited number of candidates:

Please see the section 'Description of the process being undertaken' in the SQ – see section II.2.4 above for instructions on how to access the SQ.

#### **II.2.10) Information about variants**

Variants will be accepted: No

#### **II.2.11) Information about options**

Options: No

#### **II.2.13) Information about European Union Funds**

The procurement is related to a project and/or programme financed by European Union

funds: No

#### **II.2.14) Additional information**

The duration is an estimate only, provided on the basis of the estimated time periods required to deliver Investment Phases 1 and 2.

Any queries and responses and circulars that may be issued during the tender period will be communicated exclusively via eTenderWales.

See section II.2.4 above for instructions on how to access the procurement documentation.

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

#### **III.1) Conditions for participation**

##### **III.1.2) Economic and financial standing**

Selection criteria as stated in the procurement documents

##### **III.1.3) Technical and professional ability**

Selection criteria as stated in the procurement documents

#### **III.2) Conditions related to the contract**

##### **III.2.2) Contract performance conditions**

As detailed in the procurement documents



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## **Section IV. Procedure**

### **IV.1) Description**

#### **IV.1.1) Type of procedure**

Competitive dialogue

#### **IV.1.4) Information about reduction of the number of solutions or tenders during negotiation or dialogue**

Recourse to staged procedure to gradually reduce the number of solutions to be discussed or tenders to be negotiated

#### **IV.1.8) Information about the Government Procurement Agreement (GPA)**

The procurement is covered by the Government Procurement Agreement: Yes

### **IV.2) Administrative information**

#### **IV.2.1) Previous publication concerning this procedure**

Notice number: [2022/S 000-033185](#)

#### **IV.2.2) Time limit for receipt of tenders or requests to participate**

Date

28 February 2023

Local time

5:00pm

#### **IV.2.3) Estimated date of dispatch of invitations to tender or to participate to selected candidates**

3 April 2023

#### **IV.2.4) Languages in which tenders or requests to participate may be submitted**

English, Welsh

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## **Section VI. Complementary information**

### **VI.1) Information about recurrence**

This is a recurrent procurement: No

### **VI.3) Additional information**

The contracting authority intends to conduct a multi-stage procurement procedure with the option of reducing the number of tenderers to continue dialogue at each stage. Award criteria and further procurement documents will be provided by the commencement of the tender stage to bidders shortlisted to participate.

Expressions of interest must be by way of completion and return of the SQ (in accordance with the requirements set out in the SQ by the time limit in Section IV.2.2 above).

See section II.2.4 above for instructions on accessing the procurement documents.

Any queries and responses and circulars that may be issued during the tender period will be communicated exclusively via eTenderWales. All queries and responses will be shared with all tenderers unless the query is deemed confidential or commercially sensitive. Please ensure that any confidential enquiries/clarifications are marked appropriately.

NOTE: The authority is using eTenderWales to carry out this procurement process.

NOTE: To register your interest in this notice and obtain any additional information please visit the Sell2Wales Web Site at  
[https://www.sell2wales.gov.wales/Search/Search\\_Switch.aspx?ID=128224](https://www.sell2wales.gov.wales/Search/Search_Switch.aspx?ID=128224).

(WA Ref:128224)

The buyer considers that this contract is suitable for consortia.

### **VI.4) Procedures for review**

#### **VI.4.1) Review body**

High Court

Royal Courts of Justice, The Strand

London

WC2A 2LL

Telephone

+44 2079477501

Country

United Kingdom

### **VI.4.3) Review procedure**

Precise information on deadline(s) for review procedures

This procedure is being run in accordance with Regulation 55 (Informing candidates and tenderers), Regulation 87 (Standstill period) and Regulation 88 to 104 of the Public Contracts Regulations 2015 ('PCR 2015').

Following any decision to award the contract the contracting authority will be providing debriefing information to unsuccessful bidders in accordance with Regulation 86 PCR 2015 and observe a minimum 10 day standstill period (in accordance with Regulation 87 PCR 2015) before the contract is entered into.

Bidders should note that the procurement documents provide indicative information of the contracting authority's intended approach in the procurement process at this stage and are for general information only.

The contracting authority reserves the right to vary, amend and update any aspects of the procurement documents and final details and versions of the procurement documents will be confirmed to applicants successful in being selected to participate in the relevant tender stages of the procurement procedure.

The contracting authority reserves the right not to award the opportunity or to award only part (or a different arrangement) of the opportunity described in this Contract Notice.