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Tender

## **Southern Integrated Delivery (SID) – Signalling and Track**

Network Rail Infrastructure Ltd

F05: Contract notice – utilities

Notice identifier: 2022/S 000-002759

Procurement identifier (OCID): ocds-h6vhtk-031161

Published 31 January 2022, 10:45pm

### **Section I: Contracting entity**

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

Network Rail Infrastructure Ltd

1 Eversholt Street

London

NW1 2DN

#### **Email**

[Matthew.Mccarty@networkrail.co.uk](mailto:Matthew.Mccarty@networkrail.co.uk)

#### **Telephone**

+44 1908781000

#### **Country**

United Kingdom

#### **NUTS code**

UKJ - South East (England)

**Internet address(es)**

Main address

<http://www.networkrail.co.uk/>

Buyer's address

<http://www.networkrail.co.uk/>

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

The contract is awarded by a central purchasing body

**I.3) Communication**

The procurement documents are available for unrestricted and full direct access, free of charge, at

<https://networkrail.bravosolution.co.uk/esop/guest/go/opportunity/detail?opportunityId=53270>

Additional information can be obtained from the above-mentioned address

Tenders or requests to participate must be submitted electronically via

<https://networkrail.bravosolution.co.uk/>

Tenders or requests to participate must be submitted to the above-mentioned address

**I.6) Main activity**

Railway services

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## **Section II: Object**

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

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

Southern Integrated Delivery (SID) – Signalling and Track

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

- 45000000 - Construction work

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

Works

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

Network Rail intends to establish a value driven, collaborative integrated relationship that will deliver our Control Period 7 (CP7) and potentially CP8 renewals portfolio.

Network Rail Southern Region is seeking to achieve a step change in the way renewals are delivered on its network, making the most of modern methods of working and technology, collaboration and relationship focused contracting, and a portfolio focus to achieve the objectives of the Strategic Business Plan (SBP).

Southern Integrated Delivery (SID) will be a fully integrated team based on 'Project 13' principles comprising all categories of railway assets: Signalling, Track, Buildings & Civils (B&C), Electrification and Plant (E&P) and Minor Works. The SID will bring together the strengths, capabilities, and knowledge of the supply chain and Network Rail and the scope is expected to include some or all of the following items: development, design, manufacture, supply, installation, integration, testing and commissioning of the Southern renewals work bank.

These works will be undertaken on Kent Sussex and Wessex routes, and will primarily be focused on the delivery of the renewals portfolio, however options will be included to enable enhancements also to be delivered, subject to capacity and where the SID is considered the optimum procurement route.

The establishment of the SID will be undertaken in two tranches, the first of which was for the procurement of the Buildings & Civils and Electrification & Plant Business Partners for which the Contract Notice was published on 5th November 2021 (publication reference: 2021/S 000-027900). This notice pertains to the second tranche of procurement and is for the appointment of a Signalling Business Partner and a Track Business Partner.

### **II.1.5) Estimated total value**

Value excluding VAT: £3,800,000,000

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

This contract is divided into lots: Yes

Tenders may be submitted for all lots

Maximum number of lots that may be awarded to one tenderer: 1

## **II.2) Description**

### **II.2.1) Title**

Lot 3: Signalling

Lot No

3

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

- 34632300 - Electrical installations for railways
- 34943000 - Train-monitoring system
- 45200000 - Works for complete or part construction and civil engineering work
- 45234100 - Railway construction works
- 45234115 - Railway signalling works
- 45234140 - Level crossing construction works
- 45316000 - Installation work of illumination and signalling systems
- 45316200 - Installation of signalling equipment
- 48140000 - Railway traffic control software package
- 71000000 - Architectural, construction, engineering and inspection services
- 71300000 - Engineering services
- 71311230 - Railway engineering services

- 71320000 - Engineering design services
- 71500000 - Construction-related services
- 79420000 - Management-related services

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

NUTS codes

- UKI - London
- UKJ - South East (England)

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

Management and Delivery of Signalling works on the Railway. These works will be undertaken within the Southern Region on Kent, Sussex and Wessex routes, and will primarily be focused on the delivery of the renewals portfolio, however options will be included to enable enhancements also to be delivered, subject to capacity and where the SID is considered the optimum procurement route.

The Signalling Integrator Business Partner will be required to undertake, without technical bias or conflict of interest and with a view to achieving the aims and implementing the remedies set out in the ORR's recent market study into the supply of signalling systems:

- Early-stage development including all work types (renewals and refurbishment) typically GRIP 1 to 3
- Detailed design, construction and commissioning of all work types (GRIP 4 to 8) including targeted Interventions, Level Crossings and telecommunications associated with the signalling works, with the exception of major renewals as described below - which will be undertaken by Original Equipment Manufacturers (OEM) providers appointed within the Eco-system
- Manage, coordinate and oversee the delivery for all appointed Eco-System OEM providers - who will be remitted to undertake major Signalling renewals, typically Re-Signalling, Re-lock, Re-control and ETCS schemes (typically GRIP 4 to 8 works, however where considered the optimum delivery strategy, the OEM may be appointed during the development phase)
- Advise on and oversee procurement activities (including competitive tenders) on behalf of Network Rail for the supply of signalling systems and equipment.
- Self-delivery of mid-size schemes/asset-life extension works.

All appointed Business Partners within the SID will initially sign into a development phase agreement which is scheduled from January 2023 - April 2024. The main SID agreement will be 10 years in duration (April 2024 - March 2034) and will commence in Control Period 7 (CP7) with the inclusion of a break clause prior to the commencement of CP8. The options to enact the break clause for Control Period 8 (CP8) will be subject to performance at the time.

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

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

#### **II.2.6) Estimated value**

Value excluding VAT: £1,400,000,000

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

Duration in months

134

This contract is subject to renewal

No

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

Maximum number: 3

Objective criteria for choosing the limited number of candidates:

Applicants are referred to the procurement documents for further information on Network Rail's criteria for selecting applicants to be invited to tender; pre-qualification will take place in two stages:

1) written questions followed by;

2) an on-site assessment and interviews focusing on health, safety, behaviours and collaboration.

Network Rail intends to select three (3) applicants to the invitation to tender stage, provided each applicant satisfies the pre-qualification requirements (including minimum scoring thresholds set out in the pre-qualification instructions).

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

Variants will be accepted: No

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

Options: Yes

Description of options

The option to enact the break clause for Control Period 8 (CP8) will be subject to performance at the time. In addition, detail of any options on which Network Rail may wish to call will be set out in the Invitation to Tender.

### **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) Description**

### **II.2.1) Title**

Lot 4 - Track

Lot No

4

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

- 34943000 - Train-monitoring system
- 45200000 - Works for complete or part construction and civil engineering work
- 45234100 - Railway construction works

- 45234113 - Demolition of tracks
- 45234116 - Track construction works
- 45234140 - Level crossing construction works
- 45310000 - Electrical installation work
- 71000000 - Architectural, construction, engineering and inspection services
- 71300000 - Engineering services
- 71311230 - Railway engineering services
- 71320000 - Engineering design services
- 71500000 - Construction-related services
- 71631470 - Railway-track inspection services
- 79420000 - Management-related services

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

NUTS codes

- UKI - London
- UKJ - South East (England)

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

Management and Delivery of Track works on the Railway. These works will be undertaken within the Southern Region on Kent, Sussex and Wessex routes, and will primarily be focused on the delivery of the renewals portfolio, however options will be included to enable enhancements also to be delivered, subject to capacity and where the SID is considered the optimum procurement route.

The scope will cover the site investigation, survey, design, planning and installation of track works, including the renewal, removal, refurbishment or new installation of plain line track, track drainage or switches and crossings by whatever means. This is including, but not limited to, the following associated track work items: Re-alignment, lifting and lowering of track, 3rd Rail, Remote condition monitoring, removal, replacement or new installation of lineside plant such as rail lubricators, fencing and rail crossings – road, access and pedestrian crossings, civils associated with these activities; cabinet bases, walkways, troughing routes, under track crossings, platform works.

This notice also includes the following standalone items, i.e. not in association with track

works: Track drainage renewal, removal, refurbishment or new installation, track bed stabilisation – works to track formation and sub-structure, rail crossings – road, access and pedestrian crossings and associated minor signalling and telecoms work.

All appointed Business Partners within the SID will initially sign into a development phase agreement which is scheduled from January 2023 - April 2024. The main SID agreement will be 10 years in duration (April 2024 - March 2034) and will commence in Control Period 7 (CP7) with the inclusion of a break clause prior to the commencement of CP8. The options to enact the break clause for Control Period 8 (CP8) will be subject to performance at the time.

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

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

#### **II.2.6) Estimated value**

Value excluding VAT: £24,000,000,000

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

Duration in months

134

This contract is subject to renewal

No

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

Maximum number: 3

Objective criteria for choosing the limited number of candidates:

Applicants are referred to the procurement documents for further information on Network Rail's criteria for selecting applicants to be invited to tender; pre-qualification will take place in two stages:

- 1) written questions followed by;
- 2) an on-site assessment and interviews focusing on health, safety, behaviours and collaboration.

Network Rail intends to select three (3) applicants to the invitation to tender stage, provided each applicant satisfies the pre-qualification requirements (including minimum scoring thresholds set out in the pre-qualification instructions).

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

Variants will be accepted: No

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

Options: Yes

Description of options

The option to enact the break clause for Control Period 8 (CP8) will be subject to performance at the time. In addition, detail of any options on which Network Rail may wish to call will be set out in the Invitation to Tender

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

The procurement is related to a project and/or programme financed by European Union funds: No

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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.1.4) Objective rules and criteria for participation**

List and brief description of rules and criteria

Applicants are referred to the procurement documents for information about Network Rail's rules and criteria for participation.

### **III.1.6) Deposits and guarantees required**

A Bond / Parent Company Guarantee may be required.

### **III.1.7) Main financing conditions and payment arrangements and/or reference to the relevant provisions governing them**

The main financing conditions, payment mechanism, performance standards and incentive mechanism are described in the procurement documents. The draft procurement documents are available via our electronic procurement system (BravoNR) and tender documents will be updated prior to the formal issue of the invitation to tender. The form of the contract governing these arrangements will be based on an amended version of the NR21.

### **III.1.8) Legal form to be taken by the group of economic operators to whom the contract is to be awarded**

Network Rail will accept pre-qualification and tender submissions from single entities or consortia. Network Rail does not require those consortia who intend to form a single legal entity to do so at the pre-qualification stage, however this shall be required at the point of contract award.

If consortia members change at any point during the procurement process, Network Rail reserves the right to revisit the pre-qualification stages to consider the impact of the updated information.

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

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

Applicants are referred to the procurement documents for further information.

## **Section IV. Procedure**

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

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

Negotiated procedure with prior call for competition

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

Date

3 March 2022

Local time

12:00pm

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

3 May 2022

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

English

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## **Section VI. Complementary information**

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

This is a recurrent procurement: No

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

The procurement documents are available via the link in Section I.3. These include the Instructions to Participants (which include general instructions, pre-qualification instructions and draft instructions to tender), information on scope, and the draft terms and conditions.

Applicants are required to complete and submit one pre-qualification questionnaire by the date set out in Section IV.2.2 in order to express an interest in this opportunity (pre-qualification stage 1) and be considered for pre-qualification stage 2 - further details are included in the Instructions to Participants.

This opportunity relates to the appointment of a Signalling and a Track Business Partner to work alongside appointed Business Partners in Buildings & Civils (B&C), Electrification & Plant (E&P), and Minor Works (Network Rail Partner), referred to collectively as Southern Integrated Delivery (SID). The SID will be responsible for managing the renewals portfolio across the Southern Region. All SID Partners will be commercially aligned and jointly incentivised. Each SID Partner will operate under their own Principal Contractor License and will undertake both Principal Designer and Principal Contractor obligations under CDM regulations. Each SID Partner will have a primary focus but may carry out any of the works within the SID Portfolio on a "best for portfolio" basis.

Whilst Network Rail retains some understanding of the value of the CP7 Renewals portfolio, due to the way Enhancement schemes are funded, the value of Enhancements is purely indicative and subject to change. For the purposes of valuing this forthcoming opportunity, Network Rail has assumed that the volume of work delivered within CP8 is aligned with CP7 current estimates. Recognising these constraints, it is estimated that the total value of the SID may be in the region of £4.7 billion - £9.6 billion of which it is anticipated that B&C constitutes 30% - 45%, Track 15% - 25%, Signalling 5% - 15%, E&P 5% - 10% whilst Minor Works is estimated to constitute 20% - 30% of the overall estimated value. However, given the uncertainty over volumes and funding commitments, the overall value of this opportunity may vary from this range.

The value advertised for the Signalling SID partner, includes the overall value of the Signalling CP7 and CP8 work bank of which it is estimated that in the region of 60% - 70% will reside in the Eco-System with works undertaken by the OEM providers.

Applicants will have the option to bid for both Lot 3 – Signalling and Lot 4 – Track, however Network Rail intends to restrict the number of Lots an applicant may be awarded under this Procurement Event and associated Procurement (and the number of roles) to a maximum of one.

This principle will also apply to the appointment of all future appointments to the SID; the number of places an economic operator is eligible to be awarded across B&C, E&P, Track and Signalling will be restricted to one. This is because all Business partners under the SID will be party to the same contract and Network Rail does not consider that optimal operation of the SID will be achieved if an economic operator holds more than one of the key Partner roles.

Network Rail reserves the right to cancel or suspend this procurement process at any time without incurring any cost or liability. Network Rail shall not be liable for any costs or expenses incurred by any organisation in responding to this notice or in tendering for the proposed Contract. Network Rail does not bind itself to enter into any agreement arising from this Notice and no contractual rights express or implied arising out of this Notice or arise out of the procedure envisaged by this Notice.

Network Rail reserves the right to disqualify any organisation who provides information or confirmations which later prove to be untrue or incorrect, does not supply the information required by this Notice or as otherwise directed by Network Rail during the procurement process.

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

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

The High Court

London

WC2A 1AA

Country

United Kingdom

### **VI.4.2) Body responsible for mediation procedures**

The High Court

London

WC2A 1AA

Country

United Kingdom

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

Precise information on deadline(s) for review procedures

Network Rail will incorporate a minimum 10 calendar day standstill period after notification to unsuccessful bidders and until such point will not enter into a contract for this requirement. Part 5 of the Utilities Contracts Regulations 2016 sets out the remedies available to economic operators and provides for aggrieved economic operators to take action in the High Court of England and Wales.