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Contract

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

Network Rail Infrastructure Ltd

F06: Contract award notice – utilities

Notice identifier: 2023/S 000-007897

Procurement identifier (OCID): ocids-h6vhtk-031161

Published 17 March 2023, 4:16pm

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

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

Network Rail Infrastructure Ltd

Waterloo General Office

London

SE1 8SW

#### **Contact**

Matthew McCarty

#### **Email**

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

#### **Telephone**

+44 1908781000

#### **Country**

United Kingdom

**Region 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.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 has carried out a procurement exercise to award the CP7 Southern Integrated Delivery (SID) agreement to deliver our Control Period 7 (CP7) and potentially CP8 renewals portfolio.

The 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 scope includes 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.

This notice covers the appointment of the Signalling (Lot 3) and Track (Lot 4) lots, where all appointed Business Partners within the SID have initially signed into a development phase agreement, scheduled from February 2023 to April 2024. The main SID agreement will be 10 years in duration (April 2024 - March 2034) and will commence in CP7 with the inclusion of a break clause prior to the commencement of CP8.

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

This contract is divided into lots: Yes

#### **II.1.7) Total value of the procurement (excluding VAT)**

Value excluding VAT: £3,800,000,000

## **II.2) Description**

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

Lot 3 - Signalling

Lot No

3

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

- 45234115 - Railway signalling works

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

NUTS codes

- 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 ReSignalling, 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.

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

Options: Yes

Description of options

There is an inclusion of a break clause prior to the commencement of CP8. The option to enact the break clause for Control Period 8 (CP8) will be subject to performance at the time.

### **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)**

- 45234116 - Track construction works

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

NUTS codes

- 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 scope 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.

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

Options: Yes

Description of options

There is an inclusion of a break clause prior to the commencement of CP8. The option to enact the break clause for Control Period 8 (CP8) will be subject to performance at the time.

### **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 IV. Procedure**

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

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

Negotiated procedure with prior call for competition

#### **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 000-002759](#)

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## **Section V. Award of contract**

### **Lot No**

3

### **Title**

Lot 3 Signalling

A contract/lot is awarded: Yes

### **V.2) Award of contract**

#### **V.2.1) Date of conclusion of the contract**

15 February 2023

#### **V.2.2) Information about tenders**

Number of tenders received: 2

The contract has been awarded to a group of economic operators: No

#### **V.2.3) Name and address of the contractor**

Atkins Limited

Woodcote Grove

Epsom

KT18 5BW

Country

United Kingdom

NUTS code

- UK - United Kingdom

The contractor is an SME

No

#### **V.2.4) Information on value of contract/lot (excluding VAT)**

Total value of the contract/lot: £1,400,000,000

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## **Section V. Award of contract**

### **Lot No**

4

### **Title**

Lot 4 Track

A contract/lot is awarded: Yes

### **V.2) Award of contract**

#### **V.2.1) Date of conclusion of the contract**

15 February 2023

#### **V.2.2) Information about tenders**



Number of tenders received: 3

The contract has been awarded to a group of economic operators: No

**V.2.3) Name and address of the contractor**

VolkerRail Limited

Hertford Road

Hertfordshire

EN11 9BX

Country

United Kingdom

NUTS code

- UK - United Kingdom

The contractor is an SME

No

**V.2.4) Information on value of contract/lot (excluding VAT)**

Total value of the contract/lot: £2,400,000,000

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## **Section VI. Complementary information**

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

The value stated in Section II.1.7 at £3,800,000,000 is the estimated overall value of the Enterprise Development Agreement (EDA) and Enterprise Agreement (EA) for these lots. This covers the EDA mobilisation period prior to CP7 commencement (February 2023 – April 2024) and CP7 – CP8 (April 2024 – March 2034), assuming that the break clause for the EA at 5 years is not enacted and the EA runs for the full 10 year period. This is further broken down in Section V.2.4 Lot 3 Signalling at £1,400,000,000 and Section V2.4 Lot 4 Track at £2,400,000,000. It should be noted that, in line with the original Contract Notice, the estimated value for Lot 3 Signalling is inclusive of 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.

Whilst Network Rail retains some understanding of the value of the renewals portfolio, the estimated overall value and specific lot values provided within this Contract Award Notice are purely indicative and is subject to change. This is due to a variety of reasons; the Statement of Funds Available (SoFA) is subject to change with the Final Determination taking place in October 2023, there is currently a lack of visibility on the CP8 funding and volume of work, and there is uncertainty on any upcoming changes surrounding Network Rail's transition into GBR. These, coupled with general current economic volatility affecting international markets, meant that Network Rail has had to make assumptions to provide an estimate on the contract values. For the purposes of assessing the values, Network Rail has assumed that 100% of Southern Region's renewals portfolio for CP7, known at the time of publication of the Contract Notice, would be progressed (subject to any restrictions stipulated within the Contract Notice). In addition, as the CP8 funding and volume of work is unknown, the projected costs has been made based on the CP7 estimated values.

Recognising these constraints and uncertainties, the actual total value and split across each lot of the contract may vary and therefore be higher or lower than the values shown on this Contract Award Notice.

### **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.4.4) Service from which information about the review procedure may be obtained**

The High Court

London

WC2A 1AA

Country

United Kingdom