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Awarded contract

Southern Integrated Delivery (SID) - B&C and E&P

Network Rail Infrastructure Ltd

F06: Contract award notice – utilities

Notice reference: 2023/S 000-007899

Published: 17 March 2023, 4:23pm

Section I: Contracting entity

I.1) Name and addresses

Network Rail Infrastructure Ltd

Waterloo General Office

London

SE1 8SW

Contact

Matthew McCarty

Email

SouthernCP7Delivery@NetworkRail.co.uk

Telephone

+44 7701060358

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.6) Main activity

Railway services

Section II: Object

II.1) Scope of the procurement

II.1.1) Title

Southern Integrated Delivery (SID) - B&C and E&P

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 Buildings & Civils (Lot 1) and Electrification & Plant (Lot 2) 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: £5,300,000,000

II.2) Description

II.2.1) Title

Lot 1 Buildings & Civils

Lot No

1

II.2.2) Additional CPV code(s)

- 45000000 - Construction work

II.2.3) Place of performance

NUTS codes

- UKJ - South East (England)

II.2.4) Description of the procurement

Management and Delivery of Building and Civils works on the Railway. These works will be undertaken within the Southern Region on Kent, Sussex and Wessex routes, and will primarily be focussed 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.

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 2 Electrification & Plant

Lot No

2

II.2.2) Additional CPV code(s)

- 45234100 - Railway 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 Electrification and Plant works on the Railway. These works will be undertaken within the Southern Region on Kent, Sussex and Wessex routes, and will primarily be focussed 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.

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

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: [2021/S 000-027900](#)

Section V. Award of contract

Lot No

1

Title

Lot 1 Buildings & Civils

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

VolkerFitzpatrick

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: £4,300,000,000

Section V. Award of contract

Lot No

2

Title

Lot 2 Electrification & Plant

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

Octavius Infrastructure Limited

4th Floor 45 London Road

Reigate

RH2 9PY

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: £1,000,000,000

Section VI. Complementary information

VI.3) Additional information

The value stated in Section II.1.7 at £5,300,000,000 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 1 Buildings & Civils at £4,300,000,000 and Section V2.4 Lot 2 Electrification & Plant at £1,000,000,000.

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