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Tender

## **Financing of Rolling Stock**

London North Eastern Railway Ltd

F05: Contract notice – utilities

Notice identifier: 2021/S 000-010206

Procurement identifier (OCID): ocds-h6vhtk-02af4f

Published 11 May 2021, 9:40am

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

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

London North Eastern Railway Ltd

East Coast House, 25 Skeldergate

York

YO1 6DH

#### **Contact**

Katherine Blake Hemingway

#### **Email**

[RSProcurement@lner.co.uk](mailto:RSProcurement@lner.co.uk)

#### **Country**

United Kingdom

#### **NUTS code**

UK - United Kingdom

**National registration number**

04659712

**Internet address(es)**

Main address

[www.lner.co.uk](http://www.lner.co.uk)

Buyer's address

<https://supplierlive.proactisp2p.com/account/login>

**I.3) Communication**

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

<https://supplierlive.proactisp2p.com/account/login>

Additional information can be obtained from the above-mentioned address

Tenders or requests to participate must be submitted electronically via

<https://supplierlive.proactisp2p.com/account/login>

**I.6) Main activity**

Railway services

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## **Section II: Object**

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

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

Financing of Rolling Stock

Reference number

DN1217

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

- 66114000 - Financial leasing services

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

Services

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

LNER has commenced a procurement process with potential manufacturers for the design, manufacture, testing and supply (and associated maintenance activities) of a fleet of ten (10) InterCity trains (the “Base Order Units”), owner owned spares, special tools, simulator hardware and technical information, mock-ups (together the “Leased Equipment”) and depot works, with an option to procure up to an additional five (5) trains (“Option Units”) for use on the East Coast Franchise.

The trains will provide LNER with additional capacity to accommodate future growth and have performance characteristics that enable the fleet to be timetabled effectively amongst modern InterCity trains. The trains shall be fully rated for operation on 25 kV overhead line equipment and have significant self-power capability for operation on non-electrified sections of the network and over non-electrified diversionary routes, increasing the flexibility of LNER’s fleet and the ability to provide uninterrupted services during engineering works.

The subject of this contract notice is the procurement of financing for the Base Order Units and Option Units, if any, Leased Equipment, depot works and LNER’s project costs by way of an Operating Lease Agreement (OLA) through a qualified provider of rolling stock operating leasing solutions.

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

Value excluding VAT: £500,000,000

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

This contract is divided into lots: No

## **II.2) Description**

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

NUTS codes

- UK - United Kingdom

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

LNER has chosen to run the procurement under the negotiated procedure with a prior call for competition under Regulation 47 of the Utilities Contracts Regulations 2016 (UCR 2016). This procurement and all communication with suppliers will be managed electronically via LNER's Proactis system.

To participate in this procurement, suppliers must register an interest on the Proactis system by 07/06/2021 at 16.00.

If suppliers are not yet registered on Proactis, this can be done online at: <https://supplierlive.proactisp2p.com/Account/Login>. Suppliers must allow sufficient time to register an interest in this procurement. Once registered on the Proactis system, suppliers can register interest for a specific procurement. This is done by looking at the opportunities section and clicking Register Interest. Suppliers are required to confirm the registration of interest by looking at the notifications section and clicking Submit. The registered supplier will receive an on-screen notification to alert them once this has been completed.

As a user of the Proactis system, the supplier will have access to the Proactis messaging function which facilitates all messages sent to the supplier, and from the supplier, in relation to this procurement. It is the supplier's responsibility to access these messages on a regular basis to ensure they have sight of all relevant information applicable to this procurement.

Once registered, suppliers must download the pre-qualification questionnaire, complete and upload on to the Proactis system via the messaging function by 07/06/2021 at 16.00. Suppliers will be shortlisted on the basis of their response to the pre-qualification questionnaire.

Suppliers are also required to download the confidentiality agreement, complete and upload on to Proactis system via the messaging function by 07/06/2021 at 16.00.

For technical assistance relating to use of the Proactis system, please contact the supplier support helpdesk on: <http://proactis.kayako.com/default>. Suppliers will be presented with a series of screenshots showing the different supplier portals supported and should pick the one that looks like the system they are having difficulty with — this is the supplier network. Suppliers should note that it is not necessary to log in, simply click Submit a Ticket, and on the next screen, click Next, it will then direct the supplier to the ticket logging screen. Suppliers should complete all the boxes with as much information as possible and include a contact telephone number for the helpdesk.

Alternatively, suppliers can email [suppliersupport@proactis.com](mailto:suppliersupport@proactis.com) to automatically log a ticket for the <https://supplierlive.proactisp2p.com/Account/Login> system.

For any critical and time sensitive issues, supplier support can be reached on +44330 0050352, however it is recommended that a ticket is logged using the above method(s) prior to calling so that the team has ample time to review the issue.

Suppliers should note that the expected procurement timetable is as follows:

Registration of interest, completed pre-qualification questionnaire and confidentiality agreement deadline: 07/06/2021 at 16.00

Invitation to negotiate issued: 22/06/2021

Bid submission deadline: 31/08/2021 at 12.00

### **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: £500,000,000

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

Duration in months

96

This contract is subject to renewal

Yes

Description of renewals

The OLA will have an initial term of 8 years and may be extended by LNER on multiple occasions provided that the aggregate duration of all of the extensions shall not exceed 8 years. Additional information regarding the initial term and any extension is provided in the procurement documents.

#### **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

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

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

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

List and brief description of selection criteria

Selection criteria as stated in the pre-qualification questionnaire. Interested parties should note that suppliers are required to provide a response against the following selection question as part of the pre-qualification questionnaire:

The supplier must demonstrate that it either:

(a) Has the capacity (supported by a letter signed by a senior officer) to finance the total value of the Base Order Units, Option Units, Leased Equipment, depot works and LNER's project costs on a fully underwritten basis (for purposes of this selection question this is estimated at £400,000,000); or

(b) Represents a group of equity (or other forms of funds) financiers, who between them as a consortium are able to finance the total value of the Base Order, Option Units, Leased Equipment, depot works and LNER's project costs (for the purposes of this selection question this is estimated at £400,000,000).

Together such financiers must have the ability to provide an equity (or equivalent)

investment in an amount of not less than £40,000,000, confirmed by a letter signed by a senior officer. Letters of support from other financiers who, at the time of response to the pre-qualification questionnaire may make up the consortium, must also be provided.

Please note that the above selection questions are set out in this contract notice for information only. Interested suppliers must ensure all questions in the pre-qualification questionnaire are completed in full, and in the format requested by the 07/06/2021 at 16.00.

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

List and brief description of selection criteria

Selection criteria as stated in the pre-qualification questionnaire. Interested parties should note that suppliers are required to provide a response against the following selection question as part of the pre-qualification questionnaire:

The supplier must demonstrate that it or one of the parties it represents has a record of participating as an equity financier in any one of the following:

- (a) The operating lease financing of UK passenger rolling stock; or
- (b) The operating lease financing of other UK rolling stock; or
- (c) The operating lease financing of European passenger rolling stock; and

where the value of the individual transaction (measured as the purchase price of the financed rolling stock under (a) – (b) has exceeded £150,000,000 or under (c) €150,000,000.

Such record must consist of a current participation in such a transaction or having participated in such a transaction since 1 January 2016.

For each example you wish to put forward, please include details of the relevant project, fleet size, cost of transaction and contract period.

Please note that the above selection question is set out in this contract notice for information only. Interested suppliers must ensure all questions in the pre-qualification questionnaire are completed in full, and in the format requested by the 07/06/2021 at 16.00.

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

Date

7 June 2021

Local time

4:00pm

#### **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.2) Information about electronic workflows**

Electronic ordering will be used

Electronic invoicing will be accepted

Electronic payment will be used

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

Further to section II.1.5 and II.2.6, the estimated maximum value of the OLA is between £200,000,000 and £500,000,000 based on LNER's assessment at the time of this contract notice and on the basis of the option to extend is exercised for the maximum 8 year period (see further detail in section II.2.7).

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

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

High Court of England and Wales

Strand

London

WC2A 2LL

Country

United Kingdom

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

Precise information on deadline(s) for review procedures

The UCR 2016 provide aggrieved parties who have been harmed or are at risk of harm a breach of the Regulations to take action in the High Court (England, Wales and Northern Ireland). The UCR 2016 set out the requirements on information to be provided prior to award of the contract and the procedures to be followed for bringing proceedings for breaches or alleged breaches of the UCR 2016.