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Award

## **Merseytravel Train Connectivity and Information System (TCIS) Project**

Merseytravel

F15: Voluntary ex ante transparency notice

Notice identifier: 2024/S 000-014067

Procurement identifier (OCID): ocids-h6vhtk-04568e

Published 1 May 2024, 1:54pm

### **Section I: Contracting authority/entity**

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

Merseytravel

No 1 Mann Island

Liverpool

L31BP

#### **Contact**

Merseytravel Procurement

#### **Email**

[tender@liverpoolcityregion-ca.gov.uk](mailto:tender@liverpoolcityregion-ca.gov.uk)

#### **Country**

United Kingdom

#### **Region code**

UKD7 - Merseyside

**Justification for not providing organisation identifier**

Not on any register

**Internet address(es)**

Main address

<http://www.merseytravel.gov.uk>

Buyer's address

<http://www.merseytravel.gov.uk>

**I.6) Main activity**

Railway services

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## **Section II: Object**

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

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

Merseytravel Train Connectivity and Information System (TCIS) Project

Reference number

DN298656

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

- 32500000 - Telecommunications equipment and supplies

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

Supplies

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

Please see description of the procurement section for details.

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

This contract is divided into lots: No

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

Value excluding VAT: £20,030,000

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

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

- 32412100 - Telecommunications network
- 32510000 - Wireless telecommunications system
- 32581000 - Data-communications equipment
- 32582000 - Data carriers
- 32583000 - Data and voice media
- 34600000 - Railway and tramway locomotives and rolling stock and associated parts

- 64200000 - Telecommunications services

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

NUTS codes

- UKD7 - Merseyside

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

On 18 September 2018, Merseytravel awarded an agreement to Panasonic Marketing Europe GmbH (Panasonic) for the provision of turnkey train connectivity and information system design, installation, testing, commissioning, integration and support in connection with the Merseyrail electrics railway network (TCIS Agreement). This TCIS Agreement concerns a communications network for the provision of a telecommunications service for Merseytravel's newest fleet of passenger trains, and for the provision of connectivity and train information services using such network. This contract award was made at the conclusion of a procurement process carried out using the competitive dialogue procedure under the Utilities Contracts Regulations 2016 (UCR), which was advertised in the Official Journal of the EU on 5 October 2017 by contract notice 2017/S 191-391970. The contract is at the stage of installing, testing and commissioning the physical system infrastructure, with an amount of that infrastructure already in place.

The performance of the TCIS Agreement has at all material times been subcontracted by Panasonic to Alan Dick Communications Limited, trading as AD Comms (ADC).

Throughout the procurement process and at contract award, it was made known to Merseytravel by Panasonic that ADC would be performing the TCIS Agreement.

Panasonic ultimately became party to the TCIS Agreement because ADC on its own did not satisfy the relevant financial standing criteria. Contractually, ADC has been delivering all relevant activities (including provision of supplies and performance of services) under a subcontract with Panasonic relating to the TCIS Agreement dated 17 October 2018. At the time of award of the TCIS Agreement and the subcontract, ADC was a wholly-owned subsidiary of Panasonic. Apart from providing relevant financial standing all material obligations for the delivery of the TCIS Agreement were taken by ADC through its subcontract with Panasonic.

The ownership in ADC has since transferred from Panasonic to Mutares Holding-25 GmbH (Mutares) by way of a share transfer that completed in May 2021.

ADC and Mutares are now in a position to acquire the business associated with the performance of the TCIS Agreement (comprising that agreement only) from Panasonic. This will be effected by a novation of the TCIS Agreement (and all rights, obligations and liabilities under it) from Panasonic to ADC, with related financial support provided by Mutares. ADC's subcontract with Panasonic as sub-contractor providing the services for main contract will also be terminated as it would otherwise be providing services to itself.

Merseytravel considers that there is an arguable case that the novation falls outside the scope of application of the UCR, being a permissible modification to the TCIS Agreement under Regulation 88(1)(d)(ii). Under the novation, as regards primary contractual liability to Merseytravel, a new contractor (ADC) replaces the one to which Merseytravel had initially awarded the TCIS Agreement (Panasonic). The novation results from a succession into the position of Panasonic by ADC, following the acquisition of ADC by Mutares and the acquisition by ADC and Mutares of the business associated with the performance of the TCIS Agreement.

While ADC continues not to satisfy the original financial standing criteria, in the circumstances of the TCIS Agreement, the performance to date and the remaining activity, Merseytravel is satisfied that ADC has sufficient financial standing to complete its performance, when the support provided by Mutares is taken into account (along with other relevant financial factors).

The novation does not entail any other substantial modifications to the TCIS Agreement. Certain modifications have been made to the requirements, including refinements to aspects of the technical specification to reflect requirements for the Merseyrail trains and a change in delivery timings to accommodate route-by-route delivery. The modifications do not involve any material increase (or decrease) in price, and the ultimate purpose of the TCIS Agreement (and overarching obligation on ADC) is to deliver a fully functioning information system across the network, as originally envisaged.

The novation is not aimed at circumventing the application of the UCR. Rather, it formalises the delivery relationship that was first proposed during the original procurement process, by ensuring that the entity that has always been responsible for the delivery of the system (ADC) is now primarily contractually responsible to Merseytravel under the terms of the TCIS Agreement, rather than sitting a tier below Panasonic.

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

Options: No

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## **Section IV. Procedure**

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

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

Award of a contract without prior publication of a call for competition in the cases listed below

- The procurement falls outside the scope of application of the regulations

Explanation:

Please see description of the procurement section for details.

#### **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: [2017/S 191-391970](#)

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

A contract/lot is awarded: Yes

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

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

26 April 2024

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

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

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

Alan Dick Communications Limited

Scunthorpe

Country

United Kingdom

NUTS code

- UKD7 - Merseyside

Companies House

07780713

The contractor/concessionaire is an SME

No

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

Initial estimated total value of the contract/lot/concession: £20,030,000

Total value of the contract/lot/concession: £20,030,000

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## **Section VI. Complementary information**

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

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

Merseytravel

No 1 Mann Island

Liverpool

L3 1BP

Country

United Kingdom