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Award

Supply of Long and Short Rail and Ancillary Services

Network Rail Infrastructure Ltd

F15: Voluntary ex ante transparency notice

Notice identifier: 2023/S 000-018420

Procurement identifier (OCID): ocds-h6vhtk-03dd3b

Published 28 June 2023, 2:53pm

Section I: Contracting authority/entity

I.1) Name and addresses

Network Rail Infrastructure Ltd

Waterloo General Offices

London

SE1 8SW

Contact

Garry Pyne

Email

garry.pyne@networkrail.co.uk

Telephone

+44 7720513389

Country

United Kingdom

Region code

UK - United Kingdom

National registration number

2904587

Internet address(es)

Main address

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

Buyer's address

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

I.6) Main activity

Railway services

Section II: Object

II.1) Scope of the procurement

II.1.1) Title

Supply of Long and Short Rail and Ancillary Services

Reference number

28680

II.1.2) Main CPV code

- 34946000 - Railway-track construction materials and supplies

II.1.3) Type of contract

Supplies

II.1.4) Short description

The Supply of Steel Rail and ancillary services to Network Rail (NR) for a period of up to 8 years. The scope for supply of steel rail within this notice includes the potential to include all of Network Rail and its subsidiaries, including but not limited to Network Rail Infrastructure Ltd and Network Rail High Speed and also to those organisations covered by our external business framework including Transport for Wales and as an occasional joint procurement with HS2 Ltd.

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: £860,288,289.62

II.2) Description

II.2.1) Title

Supply of Steel Rail Long and Short and Ancillary Services

Lot No

1

II.2.2) Additional CPV code(s)

- 34946110 - Rails
- 45262680 - Welding
- 76300000 - Drilling services

II.2.3) Place of performance

NUTS codes

- UKE13 - North and North East Lincolnshire

Main site or place of performance

The Supplier will weld steel rail at its plant located in Great Britain.

II.2.4) Description of the procurement

The Supplier shall provide 108m/216m rail in 56E1 and 60E2 profiles and in both R260 grade and Premium grades. The Supplier shall provide the above with corrosion resistant coating when requested by Network Rail. The minimum order quantity shall be one rail. Up to a Supplier-defined maximum volume, the Supplier shall fulfil standard (ie non-coated R260 grade) requirements within a 24 hour lead time. The Supplier shall fulfil coated rail and premium requirements within a 70-calendar day lead time.

Goods shall be delivered onto Network Rail's Rail Delivery Fleet.

Network Rail shall commit a Minimum Volume Commitment of 250,000t Long Rail and additionally 50,000t Short Rail over the initial 5 year term of the Agreement.

Supplier Premises - To secure the Minimum Volume Commitment from commencement of the Agreement, the Supplier shall be able to provide compliant, suitable premises in Great Britain to Weld Goods into 216m Long Rail and 182.88m Conductor Rail in the volumes described. The Supplier shall load Network Rail's Rail Delivery Fleet with rail lengths from 91.44m to 216m

The Supplier shall have facilities to enable contractors to undertake light maintenance on Network Rail's Delivery Fleet. To note, the maintenance activity itself will be undertaken by Network Rail's appointed maintainer and not the Supplier. The Supplier shall store in excess of 20,000t of long rail.

The Premises shall be based in central England to enable optimisation of Network Rail's

Rail Delivery Fleet.

Following call-offs, the Supplier shall hold capability to deliver the following Services at a location in central England - Drilled and Cold Bolt Hole Expansion, with drilling at either or both ends of the rail. Ability to cut rail into defined lengths.

II.2.11) Information about options

Options: Yes

Description of options

Option 1: Green Steel

The Buyer elects that the Supplier shall meet the following targets (and for the avoidance of doubt, such targets shall be elected independently of each other):

(a) From 1 January 2031, An incremental increase in call-off against committed volumes being Green steel by the end of the agreement at 30 September 2032.

Option 2: Closed Circular Economy

The Buyer elects (in its sole discretion) that to support continuity of supply of Green Steel, the Buyer may decide to sell scrap rail to the Supplier. All scrap rail is to be re-processed and not re-sold.

Options may be exercised by the Buyer upon it giving at least six months written notice in accordance with the terms of the contract.

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 without a prior call for competition

- The works, supplies or services can be provided only by a particular economic operator for the following reason:
 - absence of competition for technical reasons

Explanation:

The basis of the direct award to British Steel is Regulation 50(1)(c)(ii) UCR2016 on the grounds that competition is absent for technical reasons. Network Rail has undertaken market engagement which has confirmed there is no other supplier with a long-rail welding facility in Great Britain or who has indicated that they would be prepared to construct one at present or in the foreseeable future. Network Rail will shortly be undertaking an openly advertised competition for certain steel products including volumes of steel rail where the market engagement has indicated that access to NR's own welding facility is such that there is likely to be at least a degree of competition.

IV.1.3) Information about a framework agreement

The procurement involves the establishment of a framework agreement

IV.1.8) Information about the Government Procurement Agreement (GPA)

The procurement is covered by the Government Procurement Agreement: Yes

Section V. Award of contract/concession

Contract No

1

Lot No

1

Title

Supply of Long and Short Rail and Ancillary Services

A contract/lot is awarded: Yes

V.2) Award of contract/concession

V.2.1) Date of conclusion of the contract

30 January 2023

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

British Steel Limited

Administration Building, Brigg Road,

Scunthorpe

DN16 1BP

Country

United Kingdom

NUTS code

- UKE13 - North and North East Lincolnshire

National registration number

12303256

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: £860,288,289.62

Total value of the contract/lot/concession: £860,288,289.62

V.2.5) Information about subcontracting

The contract/lot/concession is likely to be subcontracted

Section VI. Complementary information

VI.3) Additional information

The scope for supply of steel rail within this notice includes the potential to include all of Network Rail and its subsidiaries, including but not limited to Network Rail Infrastructure Ltd and Network Rail High Speed and also to those organisations covered by our external business framework including Transport for Wales and as an occasional joint procurement with HS2 Ltd.

Network Rail reserves the right to flex volume commitments and related advertised value ranges between lots covered by this notice and the Contract Notice for Lots 2-6 in the circumstance described in the documentation at Schedule 11 Financial Difficulties.

VI.4) Procedures for review

VI.4.1) Review body

High Court

7 Rolls Building, Fetter Lane

London

EC4A 1NL

Telephone

+44 2079477501

Country

United Kingdom

Internet address

www.find-court-tribunal.service.gov.uk

VI.4.2) Body responsible for mediation procedures

Network Rail Infrastructure Ltd

C&P, 1st Floor, Loughton Building, Quadrant MK, Elder Gate

Milton keynes

MK9 1EN

Telephone

+44 908781001

Country

United Kingdom

Internet address

www.networkrail.co.uk

VI.4.3) Review procedure

Precise information on deadline(s) for review procedures

Network Rail will not enter into a contract before a 10 day standstill period has passed from the date of publication of this notice.