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Award

Project Reach

Network Rail Infrastructure Ltd

F15: Voluntary ex ante transparency notice

Notice identifier: 2025/S 000-029322

Procurement identifier (OCID): ocds-h6vhtk-052b13

Published 2 June 2025, 5:40pm

Section I: Contracting authority/entity

I.1) Name and addresses

Network Rail Infrastructure Ltd

Waterloo General Offices

London

SE1 8SW

Email

notices@networkrail.co.uk

Telephone

+44 1908781000

Country

United Kingdom

Region code

UK - United Kingdom

Internet address(es)

Main address

www.networkrail.co.uk

I.6) Main activity

Railway services

Section II: Object**II.1) Scope of the procurement****II.1.1) Title**

Project Reach

II.1.2) Main CPV code

- 45232300 - Construction and ancillary works for telephone and communication lines

II.1.3) Type of contract

Works

II.1.4) Short description

Following the completion of a competitive procedure, Network Rail ("NR") intends to appoint the Digital Reach Partners consortium to design, deploy, support and fund new public communications networks and supporting infrastructure on the railway in return for the right to use and commercially exploit the new networks and infrastructure under a long-term concession.

The concession may also involve using, upgrading or increasing NR's existing telecoms infrastructure assets.

The consortium comprises Digital Reach Partners Limited, a subsidiary of Neos Networks

Limited, as the fibre partner ("Fibre Partner"), and Freshwave Facilities Limited as the connectivity partner ("Connectivity Partner") (together the "Concessionaire Partners").

NR will now observe a standstill period of at least 10 calendar days from the date of this notice. Following expiry of the standstill period, NR and the Concessionaire Partners will enter into a concession agreement and other concession documents

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: £935,000,000

II.2) Description

II.2.2) Additional CPV code(s)

- 31200000 - Electricity distribution and control apparatus
- 32000000 - Radio, television, communication, telecommunication and related equipment
- 32412100 - Telecommunications network
- 32520000 - Telecommunications cable and equipment
- 32521000 - Telecommunications cable
- 32522000 - Telecommunications equipment
- 32523000 - Telecommunications facilities
- 32524000 - Telecommunications system
- 32562200 - Optical telecommunication cables
- 44212250 - Masts
- 44212261 - Radio masts
- 45231400 - Construction work for electricity power lines

- 45231600 - Construction work for communication lines
- 45232300 - Construction and ancillary works for telephone and communication lines
- 45232332 - Ancillary works for telecommunications
- 45314300 - Installation of cable infrastructure
- 45314310 - Installation of cable laying
- 50330000 - Maintenance services of telecommunications equipment
- 50331000 - Repair and maintenance services of telecommunications lines
- 50332000 - Telecommunications-infrastructure maintenance services
- 50333000 - Maintenance services of radio-communications equipment
- 50334000 - Repair and maintenance services of line telephony and line telegraphy equipment
- 64200000 - Telecommunications services
- 64227000 - Integrated telecommunications services
- 71311230 - Railway engineering services
- 71322000 - Engineering design services for the construction of civil engineering works

II.2.3) Place of performance

NUTS codes

- UK - United Kingdom

II.2.4) Description of the procurement

PROJECT REACH

BACKGROUND TO NETWORK RAIL TELECOMS

NR owns, operates and develops most of Great Britain's railway infrastructure, which includes over 16,000 km of fibre networks and c. 2,500 wireless masts with co-location potential alongside the rail corridor. These telecoms infrastructure assets are a critical

enabler for NR to run a safe and efficient railway service to meet the needs of passengers and freight users.

They support the delivery of secure, efficient and effective services to passengers and freight users by underpinning safety critical operational services, enabling future train control systems and delivering improved passenger experience and safety via information and security systems.

BACKGROUND TO PROJECT REACH

Project Reach is designed to advance wider government policy goals of improving public electronic communications connectivity; futureproof NR's telecoms infrastructure for its own rail requirements; and to enable the provision of the next generation of railway technology to significantly improve safety, reliability and passenger connectivity (together "Reach Outcomes").

PROCESS

The award follows a tender process that was exempt from the UK statutory procurement regime (see Section VI.3 for further information). The original call for competition was advertised on Find a Tender Service on 26 April 2021 (Contract Notice Ref: 2021/S 000-008949).

SCOPE

The main features of the concession are as follows:

The Fibre Partner will be granted (subject to certain exclusions) the following:

- the exclusive right to deploy a new fibre optic network along the rail corridor on NR's controlled estate ("New Reach Fibre") in addition to other NR fibre networks on NR's estate ("Other NR Fibre"); the receipt of dark fibre 'indefeasible rights of use' ("IRU") over allocated capacity on New Reach Fibre; • the option to receive additional IRU over capacity from Other NR Fibre, with certain IRUs being granted from the outset;
- the exclusive right to commercialise the IRUs received on New Reach Fibre and Other NR Fibre by selling electronic communication services to the public.

The Connectivity Partner will be granted (subject to certain exclusions) the following:

- the exclusive right to deploy mobile connectivity solutions (within certain railway stations and railway tunnels and/or cuttings across railway routes) and commercialise such mobile connectivity solutions for public use; and

- the option to provide white label Wi-Fi service for public use within stations.

NR will receive a revenue share and retain an allocation of New Reach Fibre for various purposes including rail use and supporting the Concessionaire Partners' provision and exploitation of the mobile connectivity solutions. NR will also receive electronic communication services to NR's corporate and operational sites including circuits, fibre and additional connection services.

The estimated value of revenue from the Concessionaire Partners' use and commercial exploitation of the new networks is £740m for the Concessionaire Partners. In addition, NR will provide a capital contribution to support initial deployment of fibre (£100m) and pay for the electronic communication services with an estimated value of £85m-95m.

The initial term of the concession is 37 years, with an option to renew for a further 30 years and an extension of the initial term by up to 10 years if the renewal option is not exercised.

II.2.11) Information about options

Options: Yes

Description of options

Set out elsewhere in this notice

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

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:

Project Reach is an exempt transaction under UK public procurement regulations, as it falls within the scope of the electronic communications exemption in Regulation 11 of the Concession Contracts Regulations 2016. For further information, please see the explanation in Section VI.3.

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

The procurement is covered by the Government Procurement Agreement: No

Section V. Award of contract/concession

Title

Project Reach

A contract/lot is awarded: Yes

V.2) Award of contract/concession

V.2.1) Date of conclusion of the contract

2 June 2025

V.2.2) Information about tenders

The contract has been awarded to a group of economic operators: Yes

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

Digital Reach Partners Limited

Inveralmond House, 200 Dunkeld Road

Perth

PH1 3AQ

Country

United Kingdom

NUTS code

- UK - United Kingdom

The contractor/concessionaire is an SME

Yes

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

Freshwave Facilities Limited

Level 1, 50 Cowcross Street

London

EC1M 6AL

Country

United Kingdom

NUTS code

- UK - United Kingdom

The contractor/concessionaire is an SME

Yes

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

Total value of the contract/lot/concession: £935,000,000

V.2.5) Information about subcontracting

The contract/lot/concession is likely to be subcontracted

Section VI. Complementary information

VI.3) Additional information

TYPE OF PROCEDURE

Project Reach was awarded following a tender process that was exempt from the UK statutory procurement regime.

EXPLANATION

Project Reach is an exempt transaction under UK public procurement regulations, as it falls within the scope of the electronic communications exemption in Regulation 11 of the Concession Contracts Regulations 2016.

The principal purpose of Project Reach is the provision or exploitation of public communication networks ("PCN"), or the provision of electronic communications services to the public ("PECS"). Specifically, the rights granted by NR to the Concessionaire Partners through Project Reach (see Section II.2.4) enable the deployment and operation of PCNs or the provision of PECS, with the Fibre Partner being obliged to commercialise its fibre allocation (IRUs) by selling PECS, and the Connectivity Partner being obliged to utilise the mobile connectivity solutions to facilitate delivery of PECS by the UK's mobile network operators. Such obligations secure the Reach Outcomes of improving public electronic communications connectivity alongside advancing next generation railway technology.

Additionally, NR's use of the New Reach Fibre and receipt of electronic communication services will secure other stated Reach Outcomes such as futureproofing NR's telecoms infrastructure.

Nothing in this notice, nor in its publication, implies any intention or gives rise to an obligation to comply with UK public procurement regulations. It should be noted that this notice is a voluntary notice.

AWARD CRITERIA

In respect of Section II.2.5, please note that the Concessionaire Partners are being appointed on the basis of the criteria stated in the procurement documents.

VALUE

Please note that the value stated in Sections II.1.7 and V.2.4 represents the upper range of the estimated value of the concession.

The estimated value of the concession is between £925,000,000 and £935,000,000, which is based on the amounts described in Section II.2.4.

CONTRACT AWARD DATE

As indicated in Section II.1.4, NR will now observe a standstill period of at least 10 calendar days from the date of this notice. Following expiry of the standstill period, NR and the Concessionaire Partners will enter into a concession agreement and other concession documents.

Please note that the contract conclusion date stated in Section V.2.1 is the date of VEAT dispatch.

VI.4) Procedures for review

VI.4.1) Review body

High Court

Strand

WC2A 2LL

Country

United Kingdom