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Award

## **The redevelopment of part of London Liverpool Street Station.**

Network Rail Infrastructure Ltd

F15: Voluntary ex ante transparency notice

Notice identifier: 2021/S 000-030898

Procurement identifier (OCID): ocids-h6vhtk-030029

Published 10 December 2021, 10:45pm

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

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

Network Rail Infrastructure Ltd

1 Eversholt Street

London

NW1 2DN

#### **Email**

[Shehroz.Latif@networkrail.co.uk](mailto:Shehroz.Latif@networkrail.co.uk)

#### **Telephone**

+44 1908781000

#### **Country**

United Kingdom

#### **NUTS code**

UK - United Kingdom

**Internet address(es)**

Main address

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

**I.4) Type of the contracting authority**

Body governed by public law

**I.5) Main activity**

Other activity

Railway services

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**Section II: Object**

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

**II.1.1) Title**

The redevelopment of part of London Liverpool Street Station.

**II.1.2) Main CPV code**

- 45213321 - Railway station construction work

**II.1.3) Type of contract**

Works

**II.1.4) Short description**

This notice is published by Network Rail Infrastructure Limited (NR). It relates to negotiations with Mersey 1 Limited (the JV), a joint venture led by Sellar Property Group

NR is commencing commercial negotiations for a proposed agreement in relation to the redevelopment of part of Liverpool Street Station with the JV, which holds exclusive rights in relation to that part of the station and is in a unique position (as described further in Sections II.2.4 and IV.1.1 of this notice).

Please note that, due to the early stage in the procurement process, any dates and values stated in this notice are entirely indicative and have been completed only due to mandatory fields in the notice format. These are highly likely to change as the procurement progresses. Costs to complete the overall project are currently estimated on a very preliminary basis to be in the order of £1.55bn.

The date in V.2.1 should be disregarded when viewing this notice, it is the date of sending this notice and is completed only as it is a mandatory field which does not enable a date in the future to be entered. The current indicative date for an award is 25 January 2023.

#### **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: £1,550,000,000

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

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

- 45000000 - Construction work
- 45111291 - Site-development work
- 45211360 - Urban development construction work
- 45212411 - Hotel construction work
- 45213112 - Shop units construction work
- 45213150 - Office block construction work
- 45213320 - Construction work for buildings relating to railway transport
- 45230000 - Construction work for pipelines, communication and power lines, for highways, roads, airfields and railways; flatwork
- 45234100 - Railway construction works
- 45234125 - Underground railway station
- 50220000 - Repair, maintenance and associated services related to railways and other equipment
- 70110000 - Development services of real estate
- 71220000 - Architectural design services

- 71322000 - Engineering design services for the construction of civil engineering works

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

NUTS codes

- UK - United Kingdom

Main site or place of performance

London

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

NR is commencing negotiations with the JV with a view to entering into a development agreement for the redevelopment of a part of London Liverpool Street Station.

The station is a terminus station located in the City of London and in NR's Anglia Route of its Eastern Region. The national rail station has 17 platforms below street level. It provides connections to the London Underground, buses and taxis from its southern station concourse, which is also below street level. The Broadgate Estate surrounds the northern, western and eastern sides of the station and 50 Liverpool Street and the Andaz hotel are located in the south-eastern corner. There are two main southern entrances to the station. One (the South Entrance) adjoins Liverpool Street, between 50 Liverpool Street and 100 Liverpool Street. The other (the South Eastern Entrance) adjoins Bishopsgate, between the Andaz hotel and 135 Bishopsgate. 50 Liverpool Street, which adjoins the Andaz hotel, is owned by NR. The JV has exclusive rights in the Andaz hotel.

The station is the third busiest in the United Kingdom and has significant overcrowding problems. The current conditions at the station are predicted to get worse as a result of forecast growth in passenger arrivals and interchanges. Consequently, NR has produced a long-term Vision for the station, which outlines its strategic objectives and the critical success factors for achieving the Vision. Improving the presence and efficient permeability and accessibility of the main southern entrances is a strategic objective for achieving NR's Vision for the station.

The Andaz hotel is uniquely located to deliver the significant degree of improvement in permeability and accessibility that is required at the station, by enabling the South Entrance to be substantially widened, offering a fundamental expansion of street frontage access (compared to both the current position and any improvements that NR could deliver using its own land and / or land that is currently owned by other third parties).

The JV, by virtue of its exclusive rights in the Andaz hotel, is therefore uniquely able to deliver the improved permeability and accessibility of the main southern entrances that is required by NR and, by doing so, to contribute towards the achievement of NR's overall

Vision for the station as a whole.

The proposed redevelopment will also improve the presence and efficient permeability and accessibility of the main southern entrances by removing 50 Liverpool Street and remodelling the South Eastern Entrance. In addition, the proposed redevelopment to be undertaken by the JV will involve: repurposing the Andaz hotel; construction of a new two-level station concourse with greatly increased circulation space; construction of a new hotel; and construction of a new office building and associated ancillary facilities

## **II.2.5) Award criteria**

- Criterion: 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

## **II.2.14) Additional information**

N/A

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# **Section IV. Procedure**

## **IV.1) Description**

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

Award procedure without prior publication of a concession notice in the cases listed below

- The works or services can be provided only by a particular economic operator for the following reason:
  - existence of an exclusive right

Explanation:

The provision of suitable station facilities, including at London Liverpool Street Station (which is a NR managed station), is at the heart of NR's duties as the provider and operator of a GB railway network that delivers an essential public transport service.

This notice is being published voluntarily by NR because it is possible that (depending on the final terms of agreement reached with the JV) the development agreement may contain elements of a works concession contract for the purposes of the Concession Contracts Regulations 2016 (CCR) or a works contract for the purposes of the Utilities Contracts Regulations 2016 (UCR). However, even where the CCR or UCR apply to the development agreement, NR is entitled to negotiate, agree and enter into the development agreement with the JV, without prior publication of a concession notice because Regulation 31(6)(b)(iv) of the CCR applies or (alternatively) NR is entitled to use the negotiated procedure without prior call for competition to negotiate, agree and enter into the development agreement with the JV because Regulation 50(1)(c)(iii) of the UCR applies.

The relevant works involved in redeveloping the southern part of the station can only be delivered by a particular economic operator (the JV) due to the protection of its exclusive rights.

The JV is the only economic operator that can redevelop the southern part of the station in a way that will deliver the required improvements in permeability and accessibility at the station, and by doing so contribute towards the achievement of NR's overall Vision for the station as a whole. For the reasons explained in Section II.2.4, the location of the Andaz hotel is of paramount importance and its inclusion in this part of the redevelopment offers a radical solution to which there is no reasonable alternative or substitute

NR's Vision for London Liverpool Street Station sets down its objective requirements for a station that is capable of meeting the needs of passengers and the wider public. The improvements to permeability and accessibility are of particular importance if those needs are to be met. The absence of competition is not, therefore, the result of an artificial narrowing down of the parameters of the procurement.

Similarly, given the location of the Andaz hotel and the criticality of the southern entrances, NR considers that no reasonable alternative or substitute exists to pursuing a redevelopment of this part of the station that includes the Andaz hotel site.

The JV has exclusive rights in the Andaz hotel site, in the form of a contract to acquire the ownership of the Andaz hotel. There is no other economic operator that has the legal right to develop the Andaz hotel site and to contribute this site to the redevelopment of the part of the station described in this notice.

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

The procurement is covered by the Government Procurement Agreement: Yes

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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**

10 December 2021

#### **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**

Mersey 1 Limited

N/A

Country

United Kingdom

NUTS code

- UK - United Kingdom

The contractor/concessionaire is an SME

No

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

Total value of the contract/lot/concession: £1,550,000,000

#### **V.2.5) Information about subcontracting**

The contract/lot/concession is likely to be subcontracted

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## **Section VI. Complementary information**

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

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

High Court of England and Wales

Royal Courts of Justice, Strand

London

WC2A 2LL

Telephone

+44 2070734734

Country

United Kingdom