



TRAFNIDIAETH
CYMRU
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Wales and Borders Rail Service and South Wales Metro

Invitation to Submit Final Tender

Volume I: ITSFT

Issue Date 30th November 2017

Audience	Bidders
Confidentiality	CONFIDENTIAL
Version	Conformed
Date	30 November 2017

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I. Content of ITSFT

- I.1 The ITSFT comprises a number of Volumes:
- a) Volume 1: ITSFT – this document, providing instructions for submission and requirement for response to the ORR requirements set out in Section 21.
 - b) Volume 2: Evaluation Model – details of how the Authority will evaluate Responses.
 - c) Volumes 3 – 12: Requirements and guidance for responding by subject matter area:
 - i) Volume 3: Train Services Requirements;
 - ii) Volume 4: Performance Requirements;
 - iii) Volume 5: Passenger Service Transformation Plan Requirements;
 - iv) Volume 6: Rolling Stock Requirements;
 - v) Volume 7: Stations Requirements;
 - vi) Volume 8: Core Valley Lines Design Requirements;
 - vii) Volume 9: Core Valley Lines Infrastructure Management Requirements;
 - viii) Volume 10: Sustainability Requirements;
 - ix) Volume 11: Staffing, Employment and Organisation; and
 - x) Volume 12: Finance Requirements.
 - d) Volume 13: Response Templates – A collection of templates for each Volume to ensure Responses are in a consistent format.
 - e) Volume 14: ODP Grant Agreement – The drafting of the ODP Grant Agreement against which you must tender.
 - f) Volume 15: CVL Asset Lease – The form of drafting of the lease for CVL infrastructure against which you must tender.
- I.2 The Authority has split the ITSFT into Volumes to enable different sections of the Authority Requirements to be distributed easily to relevant subject matter experts both within bid teams for response and within the Authority for evaluation. Some of the volumes are short and all are akin to chapters in a single document of requirements. The Responses to each Volume will be allocated to separate evaluation teams within the Authority and so Bidders should not assume that information contained in the Response to one Question will be considered or taken into account in evaluating Responses to other Questions, save for where this is expressly indicated. Bidders should ensure that all information relevant to a particular Response is contained in that Response and not make any assumptions regarding information set out elsewhere in their Final Tender (unless the relevant Authority Requirement or

Question expressly states that cross-reference may be made to other answers). The Authority may also in evaluating Responses refer to documents and information submitted as part of other Responses where evaluation methodology "L" applies (see Volume 2 paragraphs 3.11 to 3.14).

2. Definitions

- 2.1 Capitalised terms used in the ITSFT have the meanings ascribed to them in the ODP Grant Agreement except where a definition is provided in paragraph 2.2 of this Volume 1, in which case the definition in paragraph 2.2 takes precedence.
- 2.2 For the purposes of this ITSFT the capitalised words and expressions that follow have the meanings assigned to them unless the context specifically requires otherwise:

Capitalised word	Meaning
2016 Regulations	the Utilities Contracts Regulations 2016 (SI 2016 No. 274), as amended and being applicable to this tender process and in force at the relevant time
Agreed Concept Design	the CVL Concept Design which meets the requirements of paragraph 6.4 a) of this Volume 1 and in respect of which the Authority has agreed the Outline Target Price and associated Optimism Bias leading to a 'frozen' CVL Concept Design
Authority	the Welsh Ministers including, as appropriate, Transport for Wales and associated entities such as subsidiaries of the Welsh Ministers acting on its behalf
Authority Crowding Requirements	the Authority Requirements in relation to crowding set out at paragraph 4.2, Section 4 of Volume 3
Authority Requirements	has the meaning given at paragraph 4.1 of this Volume 1
Award Criteria	the award criteria set out at Volume 2
AWARD e-Portal	the e-sourcing portal being used by the Authority to manage the procurement process
Bidder or you	a person, firm, company or consortium that has been invited to respond to this ITSFT
Budget Envelope	the capital and revenue budgets made available to Bidders, as described at paragraph 11.1 of this Volume 1
CACA	Network Rail's Capability and Capacity Analysis team
Clarification	any clarification by the Authority of or relating to the Authority Requirements or the conduct of this tender process, whether in response to an RFC or otherwise
CMA	the meaning given at paragraph 20.1 of this Volume 1
Code of Practice	the Code of Practice produced by Bidders in their Response to Question R4.5

Capitalised word	Meaning
Competitive Dialogue	a procedure pursuant to the 2016 Regulations by which the Authority will, with the aim of identifying a solution or solutions which meet the Authority Requirements, conduct the procurement of the ODP Services
Control	the power of a person or other entity (“C”) to secure that the affairs of a person or other entity are conducted in accordance with C's wishes. In relation to a body corporate Control may be secured by means of the holding of shares or the possession of voting power in relation to that or any other body corporate, or as a result of any powers conferred by the articles of association or other document regulating that or any other body corporate. Control shall include Control held indirectly as well as directly, negative Control (exercised by veto rights), and joint Control (where there is one or more other persons or entities in addition to C which also exercise Control, or C together with any other person or entity exercises Control)
Controller	any person or entity who has Control
CVL Asset Lease	the lease to be entered into between the Authority and the ODP, the form of which is included as Volume 15 of the ITSFT
CVL Concept Design	the concept design developed for the Core Valley Lines in accordance with section 6 of this Volume 1 and section 4 of Volume 2
CVL Concept Design TSR	the Requirement for the CVL Concept Design set out at Appendix I.A of Volume 1
Descriptive Document	these volumes, issued to Bidders as an Invitation to Submit Final Tender, including any supplements or subsequent issues of documentation used to clarify and specify the Authority's needs and requirements in the process for submitting Final Tenders and identifying the most economically advantageous solution for the procurement to appoint an ODP
Detailed Solution Response	has the meaning set out at paragraph 4.8 of this Volume 1
DfT	the Department for Transport of the UK Government or any successor to it in the exercise of its functions
EA02	has the meaning set out at paragraph 20.1 of this Volume 1
EC	has the meaning set out at paragraph 20.1 of this Volume 1
Engineering Implementation Plan or EIP	has the meaning set out at paragraph 2.1 of Volume 8
EUMR	has the meaning set out at paragraph 20.1 of this Volume 1
Evaluation Team	the teams of evaluators described in section 2 of Volume 2

Capitalised word	Meaning
Final Tender	the bid(s) prepared and submitted by each Bidder in response to the ITSFT, based on the solution or solutions presented, discussed and specified during the dialogue stage
Financial Structure and Funding Plan	the plan required in Volume 12, section 7 of this ITSFT
Generalised Journey Time or GJT	the units used in the MOIRA train service model to express the effects on demand of changes in journey time and in other attributes of the journey
IM Mobilisation and CVL Asset Transfer Plan	the plan for the IM Mobilisation and CVL Asset Transfer, the requirements for which are set out in Appendix 9.E to Volume 9
Important Information	the requirements for completion and submission of the Final Tender by Bidders set out in this Volume 1.
Initiative	costed proposals contained within the Final Tender which the Authority at its discretion may include within Schedule 6 to the ODP Grant Agreement as a Committed Obligation or elsewhere in the ODP Grant Agreement
Invitation to Participate in Dialogue or ITPD	the invitation to participate in dialogue issued by the Authority to Bidders following the pre-qualification process
Invitation to Submit Final Tender or ITSFT	the final tender document issued in this process, which will invite Bidders to submit their Final Tenders
Minimum Requirement	the mandatory minimum Requirements of the Authority as described at paragraph 1.9 of Volume 2
MOIRA	the Model of Inter-Regional Activity train service model developed by the Passenger Demand Forecasting Council
Monitoring Point	has the meaning set out in Schedule 8 of the Track Access Agreement
ODP	the operator and development partner which will enter into the ODP Grant Agreement
ODP Grant Agreement	the contract to be entered into between the Authority and the ODP for the provision of the ODP Services
Optimism Bias	has the meaning set out in Appendix C: Concept Design Costing Templates parameters, paragraphs 1.20 to 1.22 within Volume 1, Appendix 1.B CVL Concept Design
PQQ	the pre-qualification questionnaire to which the Bidders responded
Question	one of the questions prefixed with Rnn in Volumes 1 and 3 through to 12 of the ITSFT
Rail Delivery Group	the body established by Network Rail and the major passenger and freight Train Operators to take

Capitalised word	Meaning
	responsibility for co-ordinating and leading on cross industry initiatives
Record of Dialogue	the record jointly maintained throughout dialogue by the Bidder and the Authority to record discussions and conclusions from dialogue
Request for Clarification or "RFC"	a request for clarification submitted by a Bidder in accordance with paragraphs 4.34 – 4.40 below
Requirement	the Authority Requirements
Residual Value Mechanism or RVM	the residual value mechanism with the characteristics set out at Appendix 12E of Volume 12
Response	the Bidder's response to each Question which forms part of the Final Tender
Rolling Stock Availability Plan	the plan for Rolling Stock availability, the requirements for which are set out at Volume 6 section 9
Service Code	the service codes set out at Appendix 3.C to Volume 3
RSSB	Rail Safety and Standards Board
Solution	has the meaning set out at paragraph 1.2 of Volume 2
Successful Bidder	the Bidder whose Final Tender is provisionally selected as the most economically advantageous, subject to final clarification and confirmation of its Final Tender and award of the ODP Grant Agreement
TfW	Transport for Wales
Timetable Evaluation Tool	a template document to be completed by Bidders when responding to Question R3.6
Timetable Planning Rules or TPRs	has the meaning set out at paragraph 2.3 of Volume 3
Timetable Planning Year	has the meaning set out at paragraph 2.9 of Volume 3
Total Asset Management	the collective term for Day to Day Asset Management and Renewals
Update	a written notification by the Authority to Bidders. Updates may be issued during the Final Tender period to amend or to provide further clarification to any part of the ITSFT
Volume	each volume which comprises part of the ITSFT, as described in this document

3. Introduction

- 3.1 The ITSFT is issued to Bidders on 28th September 2017 and represents the beginning of the final stage of the Competitive Dialogue process, which is the preparation and submission of Final Tenders. The purpose of the earlier phases of the dialogue has been to identify the solution(s) which can best meet the Authority's needs and objectives for the ODP Services.

- 3.2 This ITSFT is being made available on the condition that the information contained within it is used solely in connection with the competitive bid process to secure the ODP Services on behalf of the Authority and for no other purpose.
- 3.3 Whilst reasonable care has been taken in preparing the ITSFT, neither the Authority nor any of its advisers accept any liability or responsibility for the accuracy, adequacy or completeness of any information or opinions stated in this ITSFT. No representation or warranty, express or implied, is or will be given by the Authority or any of its representatives, employees, agents or advisers with respect to the ITSFT or any information on which it is based. Any liability for such matters is expressly disclaimed.
- 3.4 In so far as it is compatible with any relevant laws, the Authority reserves the right, without prior notice, to change the basis of, or the procedures for, the competitive process for the award of the ODP Grant Agreement or to reject any or all Final Tenders and to terminate tender procedures involving (directly or indirectly) Bidders at any time. In no circumstances will the Authority incur any liability in respect of the foregoing.

4. Detailed Solutions

Authority Requirements

- 4.1 The Authority Requirements are set out in Volumes I – 15 of the ITSFT.
- 4.2 Whilst the overarching objectives of the procurement remain unchanged, the Authority Requirements have developed through dialogue (as captured in the Record of Dialogue) and significant additional detail has been added. This means that some statements in the ITPD may have been superseded by statements in later documents. In the case of apparently contradictory statements, the ITSFT takes precedence over the Record of Dialogue, and the Record of Dialogue takes precedence over the ITPD.
- 4.3 If you are unclear about any Authority Requirement or interpretation, **you should raise a RFC to the Authority promptly.**

Timescales

- 4.4 The Authority's milestones for the tendering period are as follows:

Milestone	Programme Dates
Draft ITSFT Issue	18 th August 2017
Issue of ITSFT to Bidders	28 th September 2017
Submission of Final Tenders	21 st December 2017
Evaluation Completed	23 rd February 2018
Approvals	9 th March 2018
Contract Signature & Operator Mobilises	8 th June 2018

Milestone	Programme Dates
Rail Service Commences	14 th October 2018

Submission Requirements

- 4.5 Bidders are now required to submit their best and final offers, including all the necessary detailed information referred to in this ITSFT.
- 4.6 Bidders should read the Important Information before completing the ITSFT documentation. Failure to comply with the instructions contained in the Important Information may result in the rejection of the Final Tender. Bidders are therefore advised to acquaint themselves fully with the instructions and conditions set out in this ITSFT. In particular, Bidders' attention is drawn to the statements regarding non-collusion and costs and expenses incurred by Bidders in the procurement process.
- 4.7 The Authority requires adherence to all instructions and conditions within this ITSFT from each of the Bidders and the participation in the Final Tender process by each Bidder shall be construed as unqualified acceptance of such obligations by and on behalf of that Bidder.
- 4.8 Final Tender submissions must comprise:
- a) A completed detailed solution response as set out in Volumes 1 and 3 through to 12 of this ITSFT including the CVL Concept Design products as detailed in section 6 of this Volume 1 (the "Detailed Solution Response") in response to the Authority Requirements in the format set out in Volume 13.
 - b) Completion of all matters within the "ODP Grant Agreement – Template of Matters for Bidder Population" document supplied to Bidders.
- RI.0** Complete and return "ODP Grant Agreement – Template of Matters for Bidder Population".
- 4.9 You may submit an executive summary of up to 20 pages (in addition to the overall page limit set out in paragraph 4.16 below) as part of your Final Tender. This should be a separate document, which may be shared with senior management in Welsh Government and Transport for Wales. The executive summary will not be evaluated separately, but should be consistent with the remainder of your Final Tender.
- RI.1** If you provide an optional executive summary, as set out in paragraph 4.9 above, include it within the Response template.
- 4.10 Only one Detailed Solution Response can be submitted in your Final Tender – variants are not permitted.
- 4.11 You are not permitted to mark-up the draft ODP Grant Agreement or the CVL Asset Lease provided in Volumes 14 and 15 of this ITSFT other than matters identified within the "ODP Grant Agreement – Template of Matters for Bidder Population" document supplied to Bidders.

- 4.12 Final Tenders must be submitted via the AWARD e-Portal.
- 4.13 Bidders must ensure that their Detailed Solution Responses respond to and take into account the Authority Requirements.
- 4.14 Final Tenders will be evaluated strictly in accordance with the Award Criteria and methodologies set out at Volume 2. Bidders are advised to review their proposed Detailed Solution Responses carefully against the Award Criteria and applicable methodology prior to submission.
- 4.15 Bidders will not be able to rely on any third party or other dependencies, other than those listed in the ODP Grant Agreement as Authority Dependencies ("AD") or Exceptional Items ("EI"). If Bidders are of the opinion that further dependencies are necessary, then these must be set out explicitly in your Final Tender as proposed additional EI, together with a clear explanation of the time scale during which such dependencies will apply and the avoidance and mitigation strategy to be pursued, including (where appropriate) contingency plans demonstrating alternatives which will still deliver the relevant elements of the solution. Bidders should note that additional EI proposed may be treated as "risks which the Bidder cannot fully control" and thus may have an adverse effect on the scoring of the relevant Response, as set out in the Scoring Methodologies tables in Volume 2. Bidders should also note that no additional AD beyond those already agreed with the Authority may be proposed, and doing so will have an adverse effect on scoring as set out in the Scoring Methodologies tables in Volume 2.
- 4.16 Bidders must adhere to the formatting set out in the relevant response templates for Volumes 3 to 12 of this ITSFT and should only include and refer to appendices where specifically invited to do so. The Authority reserves the right to disregard information which is not presented in the correct format and/or which exceeds the overall page limit. The overall page limit for Final Tenders is 413.5 pages with a tolerance of 10% or 41.5 additional pages, making a total of 455 pages. It is recommended that Bidders adhere to the suggested page limits for each individual Question set out in Volumes 3 to 12, but no sanction will be applied to Response that exceed these amounts provided the Final Tender as a whole is within the overall page limit (455 pages).
- 4.17 When responding to a Question, Bidders may only cross refer:
- a) to their Responses to other Questions where specifically invited to do so;
 - b) where a Question will be scored separately for the CVL and WCB elements, to avoid repetition;
 - c) to documents described in the appendices to Volumes 8 and 9 and the CVL Concept Design.

If you cross refer to a separate document (for example, a particular product in the CVL Concept Design), ensure that you clearly set out the file name of the document you are referring to, using the file name set out in the 'Final Tender checklist submission' document.

Save as aforesaid, cross referring to other Responses when responding to a Question is not permitted and will be ignored by Evaluators

- 4.18 **Bidders' Final Tenders must be submitted through the AWARD e-Portal by no later than 12:00 on 21st December 2017.**
- 4.19 Any Final Tenders received after the above closing deadline will be rejected unless it can be shown that the reason for late receipt was due to exceptional circumstances (such as IT failure other than failure of the Bidder's own IT systems, etc).
- 4.20 Bidders should note that documents can take a long time to upload to AWARD e-Portal and it is recommended that you begin uploading at least 6 hours prior to the deadline. Failure to upload your Final Tender to the AWARD e-Portal due simply to the amount of time taken to upload the document(s) will not be accepted as a reason for allowing late submission of Final Tenders.
- 4.21 Discussions following the submission of Final Tenders are limited to clarifying, specifying and optimising elements of the Final Tender, provided they do not involve changes to the essential aspects of the Final Tender or of the procurement. Bidders are therefore responsible for ensuring:
- a) That their Final Tenders contain all necessary information as required in the ITSFT; and
 - b) That they are able to commit to the positions set out in their Final Tenders and enter into the ODP Grant Agreement on that basis if successful, with discussions limited to completing matters of detail.
- 4.22 The Authority has included in the ITSFT the proposed ODP Grant Agreement drafting and CVL Asset Lease (Volumes 14 and 15) drafting which captures the commercial positions agreed during dialogue and/or (in a small number of areas) completes the Authority's Requirements in respect of drafting which has not been the subject of dialogue. The Authority acknowledges that in some cases, you may have comments or queries on the relationship between the drafting as issued and/or discussions relating to such drafting which may have taken place in dialogue. In these cases, you should raise a Request for Clarification as described later in this Volume. The Authority will provide a Clarification and may (at its sole discretion) provide amended drafting and share this with all Bidders.
- 4.23 Following receipt of Final Tenders, the Authority reserves the right (but is under no obligation) to request additional information from Bidders in the form of supporting models and analysis to substantiate the Final Tender, including (without limitation) where:
- a) There is ambiguity in the Final Tender;
 - b) There appears to be an error in the Final Tender; or
 - c) The Final Tender contains insufficient evidence to enable the Authority to conduct a proper evaluation.

- 4.24 The Authority also reserves the right to require Bidders to provide additional information and, if appropriate, reject any Final Tender where the Authority considers that it appears to be abnormally low in accordance with Regulation 84 of the 2016 Regulations.
- 4.25 Bidders are responsible for the accuracy of the Final Tender submissions and must honour commitments that they make in the Final Tender. Where the Authority finds there is a manifest error in the Final Tender, the Authority will clarify with the Bidder that there is an error, and reserves the right (but is under no obligation) to provide the Bidder with an opportunity to correct the error, subject to the provisions of the 2016 Regulations. In this case, the Bidder would not be able to change any aspects of the Final Tender other than those directly affected by the error.
- 4.26 The Authority will deal with errors fairly, transparently and proportionately across all Final Tenders. The Authority, however, is not responsible for validating Final Tenders and so may not identify errors. Subject to the principle of fairness to all Bidders and the provisions of the 2016 Regulations, the Authority has the right to evaluate Final Tenders as submitted, even if Final Tenders contain manifest errors.
- 4.27 Following the submission of Final Tenders, the Authority will undertake an evaluation process to identify the Successful Bidder who provides the most economically advantageous tender, to whom the Authority is minded to award the ODP Grant Agreement. The Authority may nominate, in its absolute discretion, a reserve Successful Bidder in case the limited final discussions with the Successful Bidder do not conclude in a satisfactory manner. Any attempt by the Successful Bidder to change agreed positions or to introduce new issues may result in the withdrawal of Successful Bidder status.
- 4.28 The Authority will notify the Successful Bidder and the other Bidders of the outcome of the evaluation process. This does not yet constitute the award of the ODP Grant Agreement or a promise or decision to award such contract.
- 4.29 Following notification of the selection of the Successful Bidder, there may be further negotiations between the Authority and the Successful Bidder at the request of the Authority to confirm financial commitments or other terms contained in its Final Tender and to finalise the terms of the ODP Grant Agreement, provided such negotiations:
- a) Do not have the effect of materially modifying essential aspects of the Final Tender or of the procurement; and
 - b) Do not risk distorting competition or causing discrimination.
- 4.30 Once all matters are satisfactorily completed, the Authority will make its decision on whether to enter into the ODP Grant Agreement with the Successful Bidder.
- 4.31 Once that decision has been reached, the Authority will notify all Bidders of that decision and provide a standstill period of 10 calendar days during which the Authority will not enter into the ODP Grant Agreement.

- 4.32 Before entering into the ODP Grant Agreement, the Authority is obliged to obtain all necessary approvals. Bidders should therefore be aware that the Authority will only enter into the ODP Grant Agreement once it has obtained such approvals. This may occur after the standstill period has expired.
- 4.33 Information regarding the scores achieved by Bidders and the score of the winning Bidder will be made available to individual Bidders as required by law.

Requests for Clarification ("RFC")

- 4.34 Bidders may make RFCs regarding any Requirements, via the AWARD e-Portal. Bidders should note that requests which are not sent by the stated method may not be answered.
- 4.35 Bidders are encouraged to use plain English when formulating RFCs as this will help to ensure a faster response from the Authority.
- 4.36 The RFC process will run throughout the ITSFT stage and the deadline for receipt of RFCs is 12 noon on **14th December 2017**. Please note that RFCs received after that deadline may not be answered, although the Authority will use its reasonable endeavours to do so.
- 4.37 Bidders should not contact the Authority or any of its officers, employees or advisers, nor any third party connected to the Authority or the advisers, in relation to this procurement, other than through the processes outlined within this section and elsewhere in this ITSFT, without the prior written permission of the Authority. Bidders shall keep all matters relating to this procurement strictly confidential and ensure separation of bid teams where necessary if the Bidder is also engaged with one or more partners in a separate capacity. Failure to adhere to this code of confidentiality may lead to disqualification from this procurement process.
- 4.38 The Authority will deal with questions as quickly as practical given availability of key personnel to agree answers. It is strongly recommended that Bidders allow as much time as possible for responses to avoid last minute issues which may not be able to be addressed by the Authority.
- 4.39 The Authority will endeavour to deal in good faith with each Bidder but comments on particular aspects of a proposal/solution will not in any way bind the Authority to prefer a proposal/solution which adopts the Authority's comments, when it proceeds to formal evaluation of the submissions.
- 4.40 The Authority will ensure equality of treatment among all Bidders and will not provide information in a discriminatory manner which may give one Bidder an unfair advantage over another. Therefore, where appropriate, the Authority will provide all Bidders with any further information made available by Clarification or for any other reason, although information relating to a Bidder's specific solution will only be issued to the relevant Bidder.

5. Core Valley Lines Asset Ownership

- 5.1 The Authority is considering ownership of the CVL Asset to be held by a company wholly owned by the Authority ("Authority CVL Infraco"). Whilst

this consideration has not concluded, the following information is provided to Bidders, in case the Authority should progress this approach. No assumption should be made by Bidders that the establishment of the Authority CVL Infraco will or will not be progressed.

- 5.2 It is intended that the Authority CVL Infraco will be a company wholly owned by the Authority that will be focused upon ownership of and improvement of the CVL Assets for the benefit of passengers. The Authority intends that the Authority CVL Infraco will be the contracting entity which will:
- a) Contract with IDPs for works on the CVL;
 - b) Make payments for Principal Infrastructure Services, Additional Infrastructure Services and ODP Infrastructure Works within the ODP Grant Agreement which improve the CVL Assets;
 - c) Supporting the successful transformation of CVL; and
 - d) Receiving rent from the ODP for the CVL Assets.
- 5.3 The Authority CVL Infraco is intended to be grant funded by the Authority.
- 5.4 Should this route be followed there will need to be amendment to the drafting of the ODP Grant Agreement. Should the Authority establish the Authority CVL Infraco prior to the date of execution of the ODP Grant Agreement, drafting is intended to be included to make the Authority CVL Infraco a party to the ODP Grant Agreement. Should this not be the case, enabling drafting may be included to facilitate the Authority CVL Infraco to become a party to the ODP Grant Agreement should the Authority determine to progress this option prior to the CVL Asset Transfer. Bidders should assume the inclusion of one or other set of drafting changes in the ODP Grant Agreement.
- 5.5 The main areas of change to the ODP Grant Agreement to support an Authority CVL Infraco are anticipated to be as follows:
- a) The Authority CVL Infraco will become a party to the ODP Grant Agreement;
 - b) The CVL Asset Lease will be between Authority CVL Infraco and the ODP including rent;
 - c) The Authority CVL Infraco will have rights to agree the delivery of and make payments to the ODP for services delivered under Schedule 3B to the ODP Grant Agreement, including Principal Infrastructure Services, Additional Infrastructure Services and Infrastructure Works;
 - d) The Authority will remain liable for payment of undisputed and overdue debts from the Authority CVL Infraco owed to the ODP under the ODP Grant Agreement or the CVL Asset Lease;
 - e) Clarity as to contractual priority and consequences should the requirements of or instructions to the ODP provided by the Authority CVL Infraco differ from those of the Authority;
 - f) Clarity as to any rights of the Authority CVL Infraco with respect to bonds and performance guarantees; and

- g) Any further amendments to the ODP Grant Agreement to confirm the rights / obligations of the Authority CVL Infraco and the nature of the relationship between these two parties under the ODP Grant Agreement and contracts with IDPs for IDP Work Packages.
- 5.6 It is not intended to have a separate contract between the ODP and the Authority CVL Infraco alongside the ODP Grant Agreement in addition to the CVL Asset Lease.
- 5.7 The CVL Asset Lease is a "form of" document and will require amendment prior to being entered into by the Parties.

6. CVL Concept Design

- 6.1 The Authority consolidated its requirements for Bidders to submit a CVL Concept Design following dialogue and issued the document entitled "CVL Concept Design" to Bidders on 7th June 2017. The latest version of this document is appended at Annex I.B to this Volume I. This sets out the format and minimum standards of maturity for each element of the CVL Concept Design.
- 6.2 The CVL Concept Design must:
- a) Provide sufficient infrastructure to enable the delivery of the CVL Concept Design TSR provided in Appendix I.A and cater for Special Events;
 - b) Be affordable within the Budget Envelope set out in this ITSFT;
 - c) Support the delivery of ERDF Funding requirements set out in this Volume I, and
 - d) Meet the CVL Minimum Requirements as detailed in the Appendix I.D "Final Tender CVL Engineering Requirements" unless any Derogations have been sought via the CVL Concept Design Change Process and approved for inclusion within your Final Tender by the Authority.
- 6.3 The Authority plans to contract separately for most works described in the CVL Concept Design using Infrastructure Delivery Partners (IDPs) to deliver the works. To ensure that the CVL Concept Design is affordable, the Authority has therefore independently assessed the cost estimates submitted by Bidders as part of the CVL Concept Design and added its own quantified assessment of contingency in the form of Optimism Bias which reflects the maturity of the CVL Concept Design. The Optimism Bias amount provides a contingency for risks retained by the Authority relating to the execution of the CVL Concept Design.
- 6.4 The process for development of the CVL Concept Design is as follows:
- a) CVL Concept Design

The completed CVL Concept Design documentation including costing templates sets out an Outline Target Price.

Bidders were informed on 14th July 2017 of the outcome of the Authority's assessment of the CVL Concept Design submitted by Bidders

on 30th June 2017; Bidders have been and will continue to be updated on a six-weekly cycle up to 17th November 2017 of the outcome of the Authority's assessment of their CVL Concept Design in accordance with Section 4 of Volume 2;

b) "Change Control"

The CVL Concept Design submitted by Bidders on 30th June 2017, including Outline Target Price, can only be changed by agreement with the Authority. Change is however permitted. Bidders will be able to modify the CVL Concept Design and associated Outline Target Price, with Authority approval (which will be conditional on the CVL Concept Design and Outline Target Price meeting the requirements set out in section 6.2 b) and d) above), not more than once every six weeks until Final Tenders are submitted. The Authority may take up to four weeks to provide feedback on design maturity and Outline Target Price, so it is recommended that any substantial changes are made early. Appendix I.C contains the document entitled "Core Valley Lines – CVL Concept Design – Change Control Process", v6.0 dated 25th September 2017 which sets out the process for dealing with changes to the CVL Concept Design.

c) ITSFT

Until the date of issue of ITSFT, the Authority could dialogue the points raised with Bidders regarding CVL Concept Design and Outline Target Price as part of the scheduled dialogue sessions. Post issue of ITSFT, communication is constrained to clarification by the Authority with Bidders and/or the RFC process as set out below.

Further iterations of your CVL Concept Design have been/may be submitted as follows:

Version 3: 22nd September 2017

Version 4: 3rd November 2017

Version 5 (final): Submitted with Final Tender

The Authority will assess these CVL Concept Design versions as set out in section 4 of Volume 2 together with clarification of its Requirements with the aim of enabling all Bidders to achieve 'Green' ratings for all elements of the CVL Concept Design. Such clarification will either be an Authority request for clarification or a Clarification issued as a response to a Bidder Request for Clarification, as the case may be.

Concept Design TSR

- 6.5 Appendix I.A of this Volume 1 sets out the CVL Concept Design TSR. This is substantially the same as the 'August 16' TSR which was released at ITPD and progressed through dialogue. The CVL Concept Design TSR represents the Authority's potential future requirement for train services in the Core Valley Lines and as such, CVL Concept Designs must be capable of supporting the CVL Concept Design TSR.

- 6.6 TSR2 is the minimum train service which you must operate from December 2023. This is consistent with the CVL Concept Design TSR but offers a lower service in the following key regards:
- a) The CVL Concept Design TSR requires through train services from all heads of valleys to both Cardiff Bay and Cardiff Central, whereas under TSR2, through train services from each head of valley do not have to go to both Cardiff Bay and Cardiff Central;
 - b) The CVL Concept Design TSR includes the potential requirement for 13 new stations, but does not specify locations beyond the track section where the new station is anticipated. No additional stations are specified in TSR2; and
 - c) The CVL Concept Design TSR requires 4tph to Coryton.
- 6.7 You may submit timetables which meet TSR2 or the CVL Concept Design TSR in your CVL Concept Design submissions. The Authority will assess your CVL Concept Design against TSR2 (i.e. the lower standard) using Railsys following the process described in Section 4 of Volume 2.
- 6.8 As part of Final Tender evaluation, the Authority will assess in Volume 8, Section 5, 6 and 9, the ability of the CVL Concept Design submitted at Final Tender to support the future delivery of the CVL Concept Design TSR.
- 6.9 The Authority will, as a minimum, expect your CVL Concept Design to support, without further infrastructure investment, 4tph to Coryton as described in the CVL Concept Design TSR. The Authority acknowledges that additional infrastructure may be required to that proposed in the CVL Concept Design to support other aspects of the CVL Concept Design TSR fully, and you do not need to include this in your CVL Concept Design. For instance, you are not required to provide passing loops in your CVL Concept Design to cater for all potential new stations. The Authority will assess the suitability of your CVL Concept Design to cater for potential extensions flexibly.

7. Rail Service Initiatives and other Initiatives

- 7.1 Your Final Tender will include a number of commitments, which the Authority may at its discretion contractualise. Such commitments are termed “Initiatives”. The Authority may contractualise Initiatives within Schedule 6 to the ODP Grant Agreement as:
- a) Committed Obligations which will also be Milestone Deliverables included within a Milestone with a Planned Milestone Delivery Date; or
 - b) Service Improvements included within a Service Improvement Plan
- 7.2 Other elements of your Final Tender that describe specific ways of working or detailed delivery commitments may be incorporated, at the Authority’s discretion, into the ODP Grant Agreement.
- 7.3 Volume 12 invites you to list Initiatives that are included elsewhere in your Final Tender submission. For instance, you might commit to an Initiative in a

Response to Volume 3, and you are asked to reference/summarise that Initiative in Volume 12.

- 7.4 In each Response which includes an Initiative, you should:
- a) Specify the date by which the relevant Initiative will be completed and, where applicable, commenced;
 - b) Specify, where relevant, how long the relevant Initiative will be maintained for;
 - c) Where you are committing to spend a specified amount, clearly set out that amount and what types of expenditure may be counted towards such expenditure commitment (such as capital expenditure, operating expenditure, project management costs etc.), whether the amount is inclusive or exclusive of VAT and the date(s) by which the expenditure will be spent;
 - d) Cross-refer, where relevant, to the relevant provision of the ODP Grant Agreement which specifically obliges the Bidder to comply with or perform the relevant Initiative; and
 - e) Cross refer to the Record of Assumptions and Financial Structure and Funding Plan and to a Milestone Deliverable.
- 7.5 You may include summary initiative tables as an annex at the end of each volume and the annex will be excluded from the page count described in Volume 13.

8. New Routes and Services

- 8.1 Bidders have been engaged in an iterative process with the Authority, Network Rail and Department for Transport (DfT) in order to determine proposals for new routes and material new train services that may be submitted at Final Tender. This section explains how the process will be concluded and how the outcomes of it will be reviewed and subsequently evaluated. Further detail on the Authority's priorities for service improvements can also be found in Volume 3 Appendix 3.A.
- 8.2 During dialogue Bidders have met with the Network Rail Capability and Capacity Analysis ("**CACA**") team, members of the Wales Route Network Rail team and the Authority on several occasions. These sessions have allowed Bidders to develop their propositions taking account of feedback and analysis provided by The Authority and the Network Rail team.
- 8.3 The Network Rail team has provided the Authority with a New Route and Services report setting out their assessment of each of the Bidders' proposals.
- 8.4 This report was made available to Bidders in the week commencing 3rd July 2017.
- 8.5 Bidders were provided with a final opportunity to comment to the Authority by 7th July 2017 on the colour-coded rating allocated to each of their new

route and train services proposals by the Network Rail team and any commentary accompanying it.

- 8.6 During the week commencing 10th July 2017 the Authority formed a panel to review both Bidder feedback and the commentary, analysis and colour-coded rating provided by the Network Rail team. The output of this panel review forms the Authority position regarding the colour-coded rating.
- 8.7 The final colour-coded Authority report was made available to Bidders in the week commencing 24th July 2017.
- 8.8 The colour-coding of new routes and services contained in the final report will be considered in the Authority's evaluation of the deliverability of the Bidder proposed timetables, noting that:
- a) Any routes or train services that have been coded 'red' in the final report will not be able to be submitted as a timetable proposal;
 - b) Any routes or train services that have been coded 'green', 'yellow' or 'orange' in the final report will be able to be submitted as a timetable proposal; and
 - c) For any routes or train services that have been coded 'yellow' or 'orange' and that form part of a timetable proposal, you will be expected to propose changes or mitigations to address the concerns identified in the final Authority report (referred to in paragraph 8.7 above) as part of your Response to Question R3.3(e).
- 8.9 You should note that the process described above applies to proposals for new routes (i.e. not specified within the applicable TSR) or material service changes involving significant increases above the level of service specified in the applicable TSR. Such proposals and any other proposed service changes will be evaluated in accordance with section 2 of ITSFT Volume 3.

9. Flex proposals for regulated fares

- 9.1 The Authority has provided the opportunity for Bidders to include changes to fares regulation (i.e. the use of 'flex' and/or adjustments to the fares baskets) as part of Responses to Volume 5. The expectation is that all such proposals are 'revenue neutral' in the year of introduction, but the Authority will consider a convincing case for a reduction in fares revenue as part of a wider strategy to meet Authority objectives in the longer term. Proposals must be linked to demonstrable passenger improvements, such as the introduction of new services and/or new rolling stock.
- 9.2 As the final decision as to whether proposals can be implemented will not be taken until after submission of the Final Tender, all other elements of your Final Tender, including the Passenger Revenue in your response to R12.6 of Volume 13 of the ITSFT, should exclude any impact of, or dependency on, your fares flex proposals.
- 9.3 The Authority has previously issued templates for Bidders to propose flex. You may include completed templates as an annex to the Final Tender and

cross-refer to them in your responses to R5.10 and R5.16. This annex will be excluded from the page count described in Volume 13. The Authority may decide to progress fares flex proposals submitted in your Final Tender with the Successful Bidder prior to the Start Date. The Authority may also change fares regulation (i.e. the use of 'flex' and/or adjustments to the fares baskets) to reflect proposals or otherwise, prior to the Start Date. This would be done in accordance with Schedule 9 principles.

10. Residual Value Mechanism Schemes

- 10.1 Bidders are invited to apply to the Authority for capital investment schemes which result in a residual value at the end of the ODP Grant Agreement Term. Since these schemes create a liability beyond the ODP Grant Agreement Term, the Authority must confirm that they are acceptable.
- 10.2 The Residual Value Mechanism is described in Volume 12. The Authority will assess whether schemes qualify for the RVM scheme. Any schemes which are not approved may be excluded at the Authority's discretion.

11. Budget Envelope

- 11.1 For the purpose of Final Tenders, Bidders should assume the budget as described in paragraphs 11.2 to 11.15 below.

Rail Services Payments

- 11.2 The budget subsidy level for the current service is £120m in 2016/17 prices and will continue after the award of the ODP Grant Agreement in real terms.
- 11.3 The budget subsidy level will increase incrementally up to a maximum total of £30m per annum (in 2016/17 prices) above the subsidy for the current service when the following tender commitments are operational:
- a) Completion of the Core Valley Lines works as proposed;
 - b) Any new train services proposed in the Rail Service including Core Valley Lines are operational; and
 - c) New/upgraded rolling stock proposed is operational across the Rail Service.
- 11.4 The budget includes the key assumptions as outlined in Volume 12 - Finance. For the avoidance of doubt, the regulated access charges for part year 2018/19 are the CP5 charges for 2018/19 and from years 2019/20 onwards, you should assume mid-year CP5 rates as per Section 13 below.
- 11.5 Based on the above, the affordability envelope that the Bidders will be evaluated against is included in the Rail Financial Model Templates and is as follows:

Years	£m (Real 2016/17 prices)
2018/19 to 2022/23* (Oct'18 to March'23)	£645m in total
2023/24* to 2025/26	£155m p.a.
2026/27 to 2032/33	£150m p.a.
2033/34 (part year)	£81m

* Based on all subsidy increasing initiatives being completed by these dates.

- 11.6 The period October 2018 to March 2023 will be measured in total (the sum of all the years) against a total of £635m. This will provide Bidders with flexibility to profile the spend over the 4.5 year period; however the maximum in any one year must not exceed £150m (pro rata for part year to March 2019). For the years ending March 2024 onwards, the affordability envelope is £150m per annum (2033/34 being a part year).

CVL Capital Budget

- 11.7 The total capital budget (“CVL Capital Budget”) available for the Core Valley Lines works is £738m nominal including the Discovery Phase Fee, Preliminary Design, budget for CVL Transformation, inflation, Optimism Bias and VAT. Further information is included in Volume 8.
- 11.8 The budget includes the following financial caps:
- a) Preliminary Design and Discovery of £23 million, comprising the following sub-elements:
 - i) Design and Programme Manager costs associated with the Capital Works of £15 million including inflation but excluding Optimism Bias and VAT;
 - ii) IM/AM Discovery costs of £6 million including inflation but excluding Optimism Bias and VAT; and
 - iii) IM/AM Mobilisation costs of £2 million including inflation but excluding Optimism Bias and VAT.
 - b) Year 1 Preparatory Works of £2 million including inflation but excluding Optimism Bias and VAT.
- 11.9 The above figures are caps for bidding only. Schedule 3 of the ODP Grant Agreement sets out the terms under which payments for Principal Infrastructure Services are made.
- 11.10 As the above costs are emerging the Authority will include an Optimism Bias allowance of 44% to apply to all of the Preliminary Design and Discovery costs. For the avoidance of doubt, this adjusted figure must be funded from within £738m CVL Capital Budget.
- 11.11 The total budget of £25m for Preliminary Design and Discovery and Preparatory Works cannot be exceeded in the bid submission. However, Bidders can seek approval from the Authority to use a different allocation of funding across the various elements from that set out above. If required,

Bidders should seek approval to reallocate monies across the above categories ahead of submission of Final Tender.

- 11.12 The Authority is aware that the level of development of any CVL depot is likely to only be developed to a concept design stage at time of submission of Final Tender. There is therefore some uncertainty in the price associated with this scheme. Bidders have the option to include an allowance for Optimism Bias to address this risk. In addition, Bidders will be able to use any unused Optimism Bias or risk allowance included within the £738m capital scheme should it be available. The Authority will assess the deliverability of this approach in its evaluation.

Annual Asset Operations and Maintenance Payment & Annual Renewals Payment

- 11.13 The cap for the Infrastructure Manager Services Payment is a maximum of £16m per annum in real 17/18 prices for each full year of IM responsibility and subject to any adjustments in accordance with Schedule 3A to the ODP Grant Agreement.
- 11.14 Bidders should include an allowance to cover the annual costs associated with the Independent Reporter of £250k in 17/18 prices within their response. This figure will be matched by the Authority.
- 11.15 Bidders should assume an Annual Renewals budget of £9m in real 17/18 prices for each full year of IM responsibility and subject to any adjustments in accordance with Schedule 3A to the ODP Grant Agreement.

ERDF Funding requirement and timeline

- 11.16 The Authority is applying for regional assistance funding from the European Regional Development Fund (ERDF) with the intention that the bulk of the funding is focused on the sections of the CVL north of Pontypridd and the Bay branch. To gain access to the funding, the Authority must spend up to £250m on eligible works across the two regions and demonstrate that the works deliver a range of improvements for citizens within the ERDF catchment area, both by specified dates. The key eligibility criterion for funding is increased accessibility to economic centres. The key measure is increasing the catchment of the over-16-year-old population by at least 5% within 0-15, 15-30 and 30-45 minute isochrones at peak times for the six identified key centres aggregated together.
- 11.17 The Authority has assessed each CVL Concept Design for compliance with the accessibility requirements using the TRACC system and has discussed the assessment approach, calculation methodology and outputs with Bidders.
- 11.18 The Authority must deliver the works and demonstrate the operation of the system by defined dates and any slippage could result in clawback of part or all of the funds. The Minimum Requirement in respect of ERDF is to:
- a) Construct new eligible infrastructure, primarily focused on trackworks, platform alterations, structure alterations and if required, depot/stabling works, to the value of £250m by 31st December 2022; and

- b) Complete implementation of infrastructure and operate trains with increased frequencies as described in (i) the Bidder's CVL Concept Design and (ii) Train Services Requirement 2 included in Volume 3, by 31st December 2023.

Extent of Electrification requirement

- 11.19 The Department for Transport (DfT) has made a commitment to Welsh Government that it will contribute £125 million towards the cost of electrifying "the Valley Lines".
- 11.20 This commitment was made on the basis that a "Valley Lines enhancement programme" of total value £325m would be undertaken.
- 11.21 The current scope of the CVL capital works is different to the scope at the time that the DfT commitment was made. To ensure that the maximum contribution is achieved from the DfT, the Authority and the Bidders will need to ensure that the DfT requirements for the scheme are met.
- 11.22 To this end it is a requirement that the estimated cost of the capital works directly relating to electrification of the CVL achieve a minimum threshold of £325m.
- 11.23 The following activities shall contribute to the total cost of electrification:
 - a) Track lowering / slewing in connection with gauge clearance;
 - b) Work to structures in connection with gauge clearance;
 - c) Parapet works;
 - d) New structures for electrified routes;
 - e) New tracks (and associated structures) that are subsequently electrified;
 - f) Upgrades to existing tracks to accommodate electrification;
 - g) Signalling immunisation;
 - h) Depot / stabling works for electric traction rolling stock;
 - i) New stations on electrified routes;
 - j) Station modifications as a consequence of electrification; and
 - k) Devegetation for electrification.
- 11.24 Bidders may propose to the Authority other activities that contribute to the cost of electrification.
- 11.25 In addition, the direct costs set out above will attract the following in-direct costs:
 - a) Preliminaries;
 - b) Design;
 - c) Programme Management;

- d) Fee;
- e) Inflation;
- f) Optimism Bias;
- g) VAT.

11.26 The Authority will assess whether Bidders have met the minimum requirement for extent of electrification set out above as part of its assessment of the CVL Concept Design.

12. Funding of CVL Rolling Stock

12.1 The Authority is considering:

- a) Capital funding of rolling stock for CVL as per Volume 12, Section 3;
- b) Purchasing of rolling stock for CVL; or
- c) Providing a section 54 (Railways Act 1993) or equivalent commitment concerning extended use of the CVL rolling stock as per Volume 12.

12.2 A drafting review of the ODP Grant Agreement will be required to cover all relevant matters and obligations on the ODP resulting from the approach to funding the rolling stock. This approach may require additional agreements between the Authority and the ODP concerning the rolling stock funding and associated obligations of the Authority and the ODP as well as amendment to the ODP Grant Agreement.

12.3 The drafting described above will not be provided prior to the issue of the ITSFT.

12.4 Bidders should assume that the revised drafting of the ODP Grant Agreement and any associated additional agreements between the Authority and the ODP will include provisions concerning ODP obligations in respect of the CVL Rolling Stock. Bidders should include within their Final Tender any costings for these matters.

12.5 The obligations which the ODP should assume responsibility for and therefore include in proposed costs should any of the options referenced within this paragraph be taken forward should include inter alia:

- Ownership of the rolling stock;
- Responsibility for Heavy Maintenance and depot requirements;
- Insurance;
- Regulatory responsibilities;
- Liaison with and acceptance from manufacturer;
- Balance sheet depreciation;
- Manufacturer warranty and other obligations;

- Availability;
- Handback condition; and
- The wheel rail interface.

13. Track Access Charges

- 13.1 For WCB services for the duration of the Rail Services Term and CVL services pre CVL Asset Transfer, Bidders must use CP5 NR access charge rates and TAA Schedule 4 and Schedule 8 benchmarks and payment rates. 2018/19 charges and rates must be assumed for 2018/19, and 2016/17 charges and rates must be assumed for all other years (in all cases inflated or deflated to 2017/18 prices as required).
- 13.2 Bidders must assume that fixed access charges remain the same as the CP5 values for both CVL and WCB. 2018/19 charges and rates must be assumed for 2018/19, and 2016/17 charges and rates must be assumed for all other years (in all cases inflated or deflated to 2017/18 prices as required).
- 13.3 Post CVL Asset Transfer, Bidders must assume the CVL access charges are as follows (inflated to 2017/18 prices as required):
- a) Fixed Track Access Charge, nil (included in fixed access charges above);
 - b) Variable Track Access Charges, an annual charge of £347k in 2016/17 prices;
 - c) Capacity Charge, an annual charge of £165k in 2016/17 prices;
 - d) Long Term Charges for Stations, an annual charge of £1.278m in 2016/17 prices;
 - e) Schedule 4 income, Schedule 4 ACS and Schedule 8 payments, nil for intra ODP payments, however Bidders are to make their own assumptions on payments relating to interface agreements with any other operators (FOCS & TOCS) or Network Rail that may interface with the CVL.
- 13.4 These figures are bid assumptions only and actual CP6 charges (and beyond) will be assessed by ORR.
- 13.5 Within the ODP, Bidders should assume that there are no internal track or station access charges levied for CVL and that the Authority will pay the ODP for Infrastructure Manager (IM) and rail operations according to Schedule 8 to the ODP Grant Agreement. The ORR may subsequently determine that regulated track and station access charges apply in respect of CVL. In this case, budget may be transferred from IM to Rail Services to reflect the actual shift of charges (but there will be no change in total payments from the Authority). For the avoidance of doubt, the available budget for IM will not increase as a result of any internal recharges, Rail Services cannot fund IM without a corresponding reduction in IM payments from WG. The ODP shall not be able to vary other charges as a result of this change – the extent of change is restricted to movement of budget from IM to Rail Services.

14. The Final Tender and the ODP Grant Agreement

- 14.1 Documents submitted in response to Volumes 1 and 3 through to 12 are a committed offer to provide the ODP Services. The Authority will evaluate on the basis of your Final Tender and therefore expects that you will honour your Final Tender commitments if you are successful.
- 14.2 Your Responses to Volumes 1 and 3 through to 12 will be incorporated into the ODP Grant Agreement in a number of areas:
- a) Directly, as plans or products which are referenced by the ODP Grant Agreement (e.g. the Station Asset Management Plan);
 - b) As Milestone Deliverables, including any Committed Obligations (see Schedule 18 of the ODP Grant Agreement); or
 - c) In the Service Improvement Plan (included in the ODP Grant Agreement).
- 14.3 The Authority will, at its discretion, allocate commitments in your Final Tender to any of these areas.
- 14.4 The Authority will, in finalising the terms of the ODP Grant Agreement with the Successful Bidder, incorporate relevant assumptions, requirements and other matters provided by the Authority in Volumes 1-12 which the Successful Bidder has relied upon in compiling its Final Tender.
- 14.5 In 'contractualising' your Final Tender, the Authority will apply principles of good drafting: ensuring that statements are unambiguous and that defined terms are used appropriately. Some areas, such as experience or lessons learned, are unlikely to be included in any form in the ODP Grant Agreement. This means that the text included in plans/products, Milestone Deliverables and the Service Improvement Plan may differ from the text you submitted in your Final Tender.

Milestone

- 14.6 The Authority has set out Milestones in Schedule 18 to the ODP Grant Agreement issued in Volume 14 of this ITSFT.
- 14.7 As described in paragraphs 14.10 to 14.12 below, the Authority will designate key commitments as Milestone Deliverables and assign them to the relevant Milestone on the basis of Final Tender proposals, before signature.
- 14.8 The Authority has assigned indicative Planned Milestone Delivery Dates to each Milestone and Bidders should assume that the final Planned Milestone Delivery Dates which are inserted into the ODP Grant Agreement will be within 2 months of the indicative Planned Milestone Delivery Dates. The Authority will agree the final Planned Milestone Delivery Dates based on the specific delivery commitments in the Bidder's Final Tender solution before execution of the ODP Grant Agreement.
- 14.9 The Authority will use the Bidder's Financial Model to populate Milestone Payments as described in Schedule 18 to the ODP Grant Agreement

Milestone Deliverables

- 14.10 Any 'headline' commitments will be converted into Milestone Deliverables and specified in Schedule 18 to the ODP Grant Agreement. Each Milestone Deliverable will be allocated to a Milestone. The Authority currently anticipates there will be up to 30 Milestone Deliverables relating to rail services commitments in Final Tenders, but this number may vary depending on the level and nature of commitments tendered.
- 14.11 Additional infrastructure Milestone Deliverables will be included for the key stages of the CVL Transformation based on your Final Tender.
- 14.12 As described in Schedule 18 to the ODP Grant Agreement, the Authority will seek compensation for late delivery of Milestones and can issue Warning Notices if Milestones are not achieved. Any commitment which is included as a Milestone Deliverable can only be changed using the process defined in Schedule 9 to the ODP Grant Agreement.

Products referenced by the ODP Grant Agreement

- 14.13 Where you submit an initial version of a product or plan which the ODP Grant Agreement references, this will be the 'current' version unless and until a revised version of the product or plan is agreed by the Authority in line with the provisions of the ODP Grant Agreement relevant to the product or plan.
- 14.14 For instance, you will bid an initial version of the Social Commercial Development Plan for stations. This can be modified as described in paragraph 5 of Schedule 1.7 to the Grant Agreement, and unless it is modified the version you included with your Final Tender will be binding.

Service Improvement Plan

- 14.15 The Service Improvement Plan described in the ODP Grant Agreement is a 'catch-all' for other commitments in your Final Tender which the Authority wishes to contractualise.
- 14.16 The Service Improvement Plan is able to be varied in-life by agreement between the Authority and the ODP without the need to use the formal change process described in Schedule 9 to the ODP Grant Agreement.
- 14.17 It is intended as a more flexible way of capturing commitments than the Milestone Deliverables, providing the option to flex initiatives to match evolving service requirements rather than continuing down the path set out in the Final Tender regardless of need. In agreeing changes, both the ODP and the Authority will be seeking to achieve a financially neutral position.

15. CVL Asset Statement

- 15.1 The Authority has worked with Network Rail to provide a CVL Asset Statement detailing the condition and other relevant characteristics of the assets comprising the Core Valley Lines. This can be relied on in your Final Tender.

- 15.2 The data comprising the CVL Asset Statement is provided either as data loaded onto the AWARD e-Portal or via your access to live Network Rail systems. Appendix 9.G of Volume 9:
- a) Provides information on how to access all the databases that comprise the CVL Asset Statement; and
 - b) Sets out the arrangements for freezing the data in the live Network Rail systems on the day of the 8-week anniversary of the issue of the ITSFT.

16. Diesel only trains on the CVL network

- 16.1 The Authority has previously stated that it expects that between 2022 and 2025 diesel-only trains should be phased out on the Core Valley Lines, with the exception of freight services.
- 16.2 The Authority seeks rolling stock solutions which limit the overall extent of diesel traction. This is a fundamental objective, and non-compliance will lead to disqualification.
- 16.3 You must ensure that no rolling stock which achieves primary traction by means of diesel engine operates on the Core Valley Lines network post 2025, with the exception of additional diesel train services to deal with Special Events timetables
- 16.4 Diesel operation is permitted, as part of a dual traction system, whilst achieving a daily operating distance of a similar range to current CVL rolling stock before charge or re-fuelling (where this interrupts service). The Authority requires that the dual traction system achieves at least 50% of CVL passenger capacity miles on zero carbon power (and will reward higher percentages in your Response to Question R10.5) where
- CVL passenger capacity miles on zero carbon power = $\frac{B}{A}$, where:
- A = the forecast passenger capacity miles (the passenger capacity of rolling stock as set out in the Rolling Stock Information Sheets multiplied by the miles which that rolling stock operates within the Core Valley Lines) for all CVL Rail Services for the year from 1st December 2025 to 30th November 2026.
- B = the passenger capacity miles which you forecast will be on zero carbon power over the same period, where zero carbon means no diesel operation and tractive power via:
- Hydrogen power;
 - Direct electric power e.g. from overhead wires or third rail; or
 - Battery power, where charged from regenerative braking, direct electric power or other zero carbon source. Batteries charged by diesel engines are not acceptable as zero carbon power.
- 16.5 You must comply with the Requirements in paragraphs 11.19 to 11.26 of this Volume 1 regarding Extent of Electrification.

17. Pontypridd Headquarters

- 17.1 The Authority has required in Schedule 13 to the ODP Grant Agreement that the ODP headquarters must be based in identified office accommodation in Pontypridd.
- 17.2 For the purposes of this, Bidders should make the following assumptions:
- a) No rent will be charged for this accommodation;
 - b) The accommodation is expected to be ready by late 2019. Bidders should assume for the purpose of their Final Tender that the accommodation will be available by 1st June 2020; and
 - c) Bidders should assume for the purpose of their Final Tender that the lease for the accommodation will continue until the end of the ODP Grant Agreement Term.

18. Status of CVL Asset Transfer and associated infrastructure

[redacted].

19. IDP Procurement Timeline

- 19.1 The Authority is engaged in a programme to procure IDPs who will carry out works on the CVL. The following table provides an indicative timeline of the current programme which should assist Bidders in developing their programmes for CVL.

Activity	Date
Strategy development	June 2017
Gain stakeholder support	July 2017
Refine strategy	August 2017
Supplier event	October 2017
Contract Notice published	November 2017
Frameworks established	February 2018
Frameworks ready for use	March 2018

20. Competition Matters

- 20.1 Depending on the identity of the Bidder, the award of the ODP Grant Agreement may constitute a "relevant merger situation" under the Enterprise Act 2002 ("**EA02**") (i.e. one over which the Competition and Markets Authority ("**CMA**") would have jurisdiction), or a concentration with a Community dimension under Council Regulation EC No.139/2004

(“**EUMR**”), which would be required to be notified to the European Commission (“**EC**”).

- 20.2 If the award of the ODP Grant Agreement to a particular Bidder would give rise to a realistic prospect of the CMA reaching the view that a substantial lessening of competition may be expected to result in any market or markets in the UK (under EA02), or of the EC reaching the view that the award may result in a significant impediment to effective competition such that it has serious doubts as to the award’s compatibility with the common market (under EUMR), such as would give the CMA (or EC, as appropriate) cause to subject the award of the ODP Grant Agreement to a substantive (second phase) investigation, this may prejudice the timing of the procurement process and/or the ability of the Bidder to operate the Rail Service as provided in its Final Tender. Generally, a transaction with an EC dimension may not be completed until clearance has been obtained under EUMR. In the context of a relevant merger under EA02 that has been completed, the CMA may impose an interim order preventing any action that might prejudice its investigation or impede the taking of any action (“hold separate” undertakings). It is therefore important for the Authority to be able to assess the impact of any potential intervention by the CMA or EC in scrutinising the bids of each Bidder.
- 20.3 The Authority requires each Bidder to:
- RI.2** Provide the following with regard to Competition Matters in relation to your Final Tender:
- a) Confirm whether award of the ODP Grant Agreement to you would require notification to the EC under EUMR, and if so,
 - i) Whether you would propose to request pursuant to Article 4(4) EUMR that the transaction is referred back to the CMA for consideration, and how you view the prospects of such a request being accepted, or
 - ii) In the alternative, the likelihood of the CMA requesting referral back to the UK pursuant to Article 9 EUMR;
 - b) Provide your reasoned analysis of the likely competition assessment of the transaction, including your assessment of the prospect of clearance in the first phase of any investigation by the CMA and/or the EC (as applicable) together with a description of the analysis undertaken and evidence reviewed by you in carrying out such assessment;
 - c) Set out the strategy you will adopt to minimise any delay caused by the need to obtain clearance from the CMA or EC in being able to operate the Rail Service if you are awarded the ODP Grant Agreement. In particular:
 - i. How you propose to approach pre-notification discussions with the CMA or, as the case may be, the EC to ensure that the notification is complete and that all necessary supporting evidence is included;

- ii. Confirm that you will co-operate fully with the EC and/or the CMA during their investigations, in particular by responding promptly to any requests for information;
 - iii. Provide an indication of the likely timetable for securing any required competition clearance, including the preparation of notifications, timing of pre-notification discussions, formal notification and clearance;
 - iv. Confirm your, and any of your Affiliates', willingness to offer undertakings or commitments to the CMA or the EC in order to avoid a second phase investigation, a description of the nature and extent of any such undertakings you would be willing to offer, and your reasoned analysis as to why such undertakings or commitments are likely to be accepted by the CMA or EC. If you consider that it would not be required to offer such undertakings or commitments, then you must provide your reasoning supporting such conclusion;
 - v. Confirm that any such undertakings or commitments given would not impact on the ability of you and/or any of your Affiliates to operate any other UK rail service of which you are the franchisee, or to the extent that they would, a detailed assessment of such impact;
 - vi. Provide an indication of the likely timetable for securing any required competition clearance, including the preparation of notifications, timing of pre notification discussions, formal notification and clearance;
- d) Provide a reasoned assessment of the likelihood of the CMA imposing an interim order on you in relation to the ODP Grant Agreement, specifying the form of any derogations you would seek from the CMA's standard form of initial enforcement ('hold separate') orders in the event that these are required in the context of a completed merger and your reasoned assessment of the likelihood of such derogations being granted;
 - e) Confirm that you will commit to the Authority to offer such undertakings or commitments to the CMA or the EC as may be required by the CMA or the EC to enable you to operate the Rail Service as bid, unless and to the extent that any such undertakings or commitments given would impact on the ability of you and/or any of your Affiliates to operate any other UK rail service of which you are the franchisee; and
 - f) Confirm that you are prepared to comply with the undertakings or commitments which you have identified in your own analysis as being potentially required by the CMA or EC and that you are willing to take the steps needed to comply with such undertakings or commitments.
- 20.4 The Authority expects that Bidders will co-operate fully with the CMA in pre-notification discussions before award of the ODP Grant Agreement.
- 20.5 Following submission of final Tender, the Authority expects the Bidder to keep the Authority informed of the progress of its notifications to the EC and/or CMA, including notifying the Authority as soon as possible if it

becomes aware of the possibility that a second phase investigation or undertakings or commitments may be required.

- 20.6 The Authority reserves the right to engage with the CMA and it is possible that as part of this ongoing dialogue, the Authority may wish to disclose to the CMA some of the merger control strategy submitted by the Bidder. In addition, the Authority notes that a document prepared by a Bidder setting out merger analysis and strategy may potentially be disclosable to the CMA as part of the information to be provided by the parties during the CMA's merger review process. Such disclosure shall be deemed to be required by the CMA for the purposes of clause 4.3 of the CLPA.
- 20.7 All of a Bidder's competition strategy will be considered by the Authority, regardless of whether disclosures are made to the CMA.
- 20.8 Following bid submission, the Authority expects Bidders to advise the Authority as soon as possible if there is any change in the circumstances from the position as outlined in their Final Tender which may affect the competition clearance process (for example, if the Bidder acquires or divests another transport operation which is relevant to the competition assessment). If Bidders fail to notify the Authority, their Final Tender may be deemed to be non-compliant.
- 20.9 If a Bidder is unable to or otherwise does not provide to the Authority sufficient evidence to enable the Authority to be satisfied that:
- a) There will be no second phase investigation by the CMA or EC in relation to the Bidder's Final Tender; or
 - b) The impact of any intervention by the CMA or EU will likely not prejudice the ability of:
 - i) The Bidder to commence operation of the Rail Services on the Start Date;
 - ii) The Bidder otherwise to operate the Rail Services in accordance with its bid; or
 - iii) Any Affiliate of the Bidder to continue to operate any other UK rail service of which it is the franchisee,
- the Authority, acting reasonably, reserves the right to disqualify the Bidder.
- 20.10 The Authority will also be entitled to liaise directly with the CMA to confirm any information provided by a Bidder.
- 20.11 Bidders should be aware that the above considerations apply to joint venture and consortium members in the same way as to sole Bidders. In particular, Bidders should note that the EA02 and the EUMR are capable of applying to such joint venture and consortium members where they exercise a form of control known as "material influence" (under the EA02) or "decisive influence" (under the EUMR), both of which are capable of existing well below a 50% interest.

21. Legal and Regulatory ORR CVL Questionnaire

- 21.1 The following section contains questions that were previously responded to by Bidders on 23rd June 2017.
- RI.3** Submit your Response to the questions below; identifying any changes from the response you provided to the ORR on 23rd June 2017.
1. Provide an overview/executive summary of your proposal in respect of the Core Valley Lines, in particular highlighting any changes to your proposal since your response of the 23rd June 2017.
 2. Licensing
 - a) Set out whether you consider the Railway (Licensing of Railway Undertakings) Regulations 2005 will apply in respect of the railway undertaking operations.
 - b) Set out whether you would be seeking a licence or a licence exemption pursuant to section 6 and 7 of the Railways Act 1993 in respect of:
 - i) Any train using the network;
 3. The network;
 - ii) Any station; or
 - iii) Any light maintenance depot

Briefly explain your answer setting out the reasons why.
 - c) If you will be seeking a licence exemption pursuant to section 7 of the Railways Act 1993, explain:
 - i) The basis on which you would be seeking an exemption; and
 - ii) Why you consider it is appropriate that you will not be subject to the licensing regime. For example how you would ensure appropriate governance and oversight to ensure operation was in accordance with standard industry arrangements etc.?
 4. Access
 - a) Set out whether you consider the Railways (Access, Management and Licensing of Railway Undertakings) Regulations 2016 (AMR)¹ will apply to your proposal with regard to the:
 - iii) Network; and

¹ Note: it is for each infrastructure manager or railway undertaking to determine whether or not it is subject to the AMR taking into account the guidance on scope of the AMR published by DfT and the guidance on the application of the AMR published by ORR. Parties may wish to discuss any particular queries with either ORR or DfT as appropriate but should note that neither ORR nor DfT will provide any form of exemption from the AMR. ORR will, however, raise any concerns or issues it may have with a bidder's interpretation and application of the AMR.

iv) Railway undertaking.

If you consider one or both will be exempt from the AMR, please briefly explain why, by reference to the regulations.

5. Set out whether you intend to seek a section 20 exemption under the Railways Act 1993 and if so the basis on which you would be seeking such an exemption.

6. Interoperability

a) Set out whether you consider the Railways (Interoperability) Regulations 2011 will apply to the proposed rail system. If not, explain why by reference to the regulations.

7. Safety

a) Set out whether you consider you will need a mainline or non-mainline safety certificate and/or safety authorisation under the Railways and Other Guided Transport Systems (Safety) Regulations 2006 (ROGS). Briefly explain your answer.

b) Briefly describe your approach to risk assessment for the features of your proposal with significant safety implications². The relevant features might include:

i) Selection of vehicle type;

ii) Selection of signalling system;

iii) Concept of operations, including the ability to manage heaviest traffic and foreseeable degraded conditions;

iv) Interaction with freight (including signalling controls);

v) Selection of electrification method:

- Clearances at stations (including to pantograph);

- Isolation and earthing to permit engineering access;

vi) Level crossing risk: increased frequencies, changed rolling stock type, changed signalling;

² Note: ORR does not expect you to have completed assessments at this stage: we are simply seeking information about how you will approach the task. We are advising the Authority what they might expect to see in each bid high-level risk assessments for the key safety decisions they face. We would expect that these assessments would identify such issues along with consideration of compliance to relevant law and standards, and broad cost implications of options. Ideally they would include an outline of close alternative methods which the bidder has not selected, to show context for choice. The assessments would need to be accessible to a client audience. ORR's "Goal-setting Principles for Railway Health and Safety": <http://orr.gov.uk/what-and-how-we-regulate/health-and-safety/guidance-and-research/goal-setting-principles-for-railway-health-and-safety>, set out the high level issues ORR expects all railway organisations to address in their operations, in particular Principle 1 relating to health and safety by design. It would be expected that these issues, where they are in the Bidder's control, will be adequately addressed across all documentation submitted at final tender stage.

- vii) Interfaces with mainline systems, asset and operational, including signalling and electrification control;
- viii) Asset policies and sustainability;
- ix) Station design and operations, including crowding and PTI;
- x) Constructability.

22. Equal treatment of English and Welsh Services

- 22.1 Bidders must ensure that any passenger services, facilities, performance and quality standards apply equally in England and Wales.

23. Ancillary services

- 23.1 The Authority is intending to manage the ODP Services, including exploring services ancillary to Rail Services including advertising on trains and in stations and management of station car parks. TfW could take direct management of these functions from the ODP, operating both as businesses, providing staff and receiving income. The impact of this change would be managed through the process outlined at Schedule 9 to the ODP Grant Agreement.

24. Anti-poaching

Bidders must not include in their proposals rolling stock currently in use in another franchise (the 'donor' franchise) unless the Bidder can demonstrate that the donor franchise (including a successor operator when the franchise is close to its end) has sufficient time to credibly lease alternative replacement stock to continue to fulfil their franchise obligations. This provision applies whether the donor franchise operates in Wales, England or Scotland

25. Insurance

- 25.1 Note that this paragraph is with reference to insurance liabilities for CVL construction and asset management as part of the Infrastructure Manager role only.
- 25.2 The Authority is considering the introduction of an Owner Controlled Insurance Programme (OCIP) with reference to the above insurance matters. However Bidders should **not** assume that the Authority will institute such OCIP. Therefore Bidders should itemise and include within their proposal insurance for the following areas:

	Insurance against	Minimum amount of cover or minimum limit of indemnity	Envisaged deductibles (provisional figures)
A	<p>Construction All Risks Policy</p> <p>Loss of or damage to the assets or Infrastructure Works, Plant and Materials for incorporation in the Infrastructure Works including:</p> <ul style="list-style-type: none"> ▪ transit within the UK by road, rail and inland waterway where risk of loss rests with the ODP or Subcontractors according to the conditions of carriage ▪ off-site prefabrication within the UK <p><u>Note:</u> This insurance is envisaged to cover suppliers and consultants only in respect of their manual site activities</p>	The replacement cost	<ul style="list-style-type: none"> ▪ For losses described under Defects Exception 1b) to Section I of the Insurance Policy (LEG3 claims): GBP 150,000 each and every loss ▪ For losses arising out of major perils: GBP 25,000 each and every loss ▪ For losses arising out of other causes: GBP 10,000 each and every loss
B	<p>Public and Products Liability Policy</p> <p>Liability for loss of or damage to property (except the Infrastructure Works, Plant and Materials and Equipment) and liability for bodily injury to or death of a person (not an employee of the ODP) caused by activity in connection with this ODP Grant Agreement</p> <p><u>Note:</u> This insurance is envisaged to cover suppliers and consultants only in respect of their manual site activities</p>	GBP 155,000,000 for each and every occurrence and in the annual aggregate with respect to pollution and products	GBP 10,000 each and every loss in respect of property damage
C	<p>Environmental Impairment Liability Policy</p>	GBP 50,000,000 in the aggregate	GBP 250,000 each and every loss

	Insurance against	Minimum amount of cover or minimum limit of indemnity	Envisaged deductibles (provisional figures)
	Liability for loss and damage as a result of gradual and sudden and accidental pollution condition arising out of the Infrastructure Works		
D	Terrorism Loss or damage to the Infrastructure Works, materials, goods, plant or equipment for incorporation in the works caused by an Act of Terrorism or Sabotage	GBP 50,000,000 in the aggregate	GBP 100,000 each and every loss
E	ODPs Plant and Equipment Policy Loss of or damage to ODPs Plant and Equipment including due to terrorism	The replacement cost	GBP 25,000 each and every loss
F	Project Professional Indemnity Policy Liability for negligent act, error or omission in the performance of the ODP's professional obligations under the ODP Grant Agreement (including advice, design, specification and professional services)	GBP 25,000,000 for each and every claim and in the annual aggregate with one reinstatement of limit	GBP 500,000 each and every loss. To be maintained for a period of 10 years.

- 25.3 Note that this assumption does not cover other insurances which may be required including but not limited to:
- a) Insurances related to rolling stock
 - b) Insurances required as part of any licence for operation of the Rail Services;
 - c) Insurance required as part of a Network Licence following assumption of the Infrastructure Manager role;
 - d) Insurance requirements from Network Rail for access to or works adjacent;

- e) Any additional insurances required for the operation of the Rail Services; and
- f) The following:

Employer's Liability Policy

- i) Liability for death or bodily injury to employees or apprentices of the ODP or any subcontractor of any tier arising out of and in the course of their employment or apprenticeship in connection with this ODP Grant Agreement.

Motor Vehicle Policy

- ii) Third party liability in respect of all vehicles used on public highways, site access roads or in any circumstances requiring insurance under the Road Traffic Acts

Marine Policy

- iii) Protection and Indemnity entry or insurance in respect of marine vessels used in connection with this ODP Grant Agreement

Other Policies

- iv) Other insurances required by statute.

- 25.4 Bidders are to include the costs for the insurance requirements, as described in paragraph 25.2 above, in either the CVL Concept Design, Infrastructure Manager and Rail Services, as appropriate. Bidders are to ensure that, taking these costs into account, they are within the Budget Envelope.

26. Bid preparation costs

- 26.1 Each Bidder shall be solely responsible for all the costs it incurs in the preparation and submission of its Final Tender up to and including the date of the ODP Grant Agreement. This shall also be deemed to cover the cost of attending any pre-or post-Final Tender meetings, site visits and negotiations and, should a Bidder be successful, the preparation/engrossing of the ODP Grant Agreement documents. The Authority shall in no event be responsible or liable for any such costs regardless of the conduct or outcome of the bidding process, and in this respect, the Bidder shall have no recourse to the Authority.

27. ITSFT updates

- 27.1 The Authority may issue Updates, which will be identified by a number and the date. Such Updates will contain details of any amendments, additions or variation to the information contained in this ITSFT document or documents previously provided, together with any further information, which may assist the Bidders in the preparation of their submissions. No statements issued by the Authority in relation to this or any other documents shall be deemed to form part of this Final Tender process unless ratified by an Update.

28. Freedom of information

- 28.1 Bidders are reminded that the Authority is subject to the requirements of the Freedom of Information Act 2000 (“FOIA”) and the Environmental Information Regulations 2004 (“EIR”). Accordingly, the Authority may be required to disclose, on request, information submitted to it by Bidders in connection with the Competitive Dialogue.
- 28.2 Information may be exempt from disclosure under FOIA where its disclosure would be likely to prejudice the commercial interests of any person but the Authority can give no assurances as to whether or not information received from Bidders in connection with the Competitive Dialogue would be disclosed in response to a request made under FOIA. In the event that such a request is received by the Authority, then the Authority shall, in accordance with their obligations under the Code of Practice made under section 45 FOIA, consult with any party whose interests are likely to be affected by disclosure. However, the Authority shall be responsible for determining at its absolute discretion whether any such information is exempt from disclosure in accordance with the provisions of the FOIA or the EIR and whether any such information is to be disclosed in response to an information request. Accordingly, the Authority cannot guarantee that any information marked “*confidential*” or “*commercially sensitive*” will not be disclosed.
- 28.3 Where a Bidder receives a request for information under the FOIA or the EIR during the Competitive Dialogue process, this should be immediately passed on to the Authority and the Bidder should not attempt to answer the request.

29. Copyright

- 29.1 Bidders are reminded that the copyright to the ITSFT rests with the Authority and its appointed advisers. The ITSFT may not either in whole or in part be copied, reproduced, distributed or otherwise made available to any other third party without the prior written consent of the Authority except in relation to the preparation of a Final Tender. All documentation supplied by the Authority in relation to the ITSFT is, and shall remain the property of the Authority and must be returned on demand, without any copies being retained.

30. Canvassing

- 30.1 Any Bidder who directly or indirectly canvasses any member of the Authority or any of its officials or representatives concerning the award of the ODP Grant Agreement may be disqualified.
- 30.2 Any such disqualification would be without prejudice to any other civil remedies available to the Authority and without prejudice to any criminal liability which such conduct by a Bidder may attract.

31. Bidder membership and eligibility

- 31.1 The Authority must be notified in writing of any change in the control, composition or membership of a Bidder that has taken place subsequent to the submission of their response to the Pre-Qualification Questionnaire (PQQ). The sections of the PQQ that Bidders must report any change to are Sections A, B, C, D, E, and the Applicant's Declaration. Bidders must also inform the Authority of any such change that may take place subsequent to the submission of the Final Tender response but prior to the conclusion of this procurement process.
- 31.2 Similarly, the Authority must be notified in writing of any changes that have been made to the Bidder's nominated suppliers or advisers. The Authority reserves the absolute right to withhold approval to any such changes and to disqualify the Bidder concerned from any further participation in the procurement process.

32. Conflict of interest

- 32.1 Bidders are instructed to ensure that their potential appointment as the service provider to the Authority under the ODP Grant Agreement has not and will not create any conflict of interest or any situation that might compromise or prejudice the Authority's duty to manage an open, fair, non-discriminatory and competitive procurement process. In the event of a conflict (or potential conflict) arising at any time during the procurement process, the affected Bidder must report the occurrence of an actual or potential conflict and the means for resolving it to the Authority as soon as reasonably practicable.
- 32.2 Failure to declare any actual or potential conflict and/or failure to address such conflict to the reasonable satisfaction of the Authority may result in a Bidder being disqualified from this procurement.

33. Governing law

- 33.1 The laws of England and Wales (as applied in Wales) and the exclusive jurisdiction of the Courts of England and Wales sitting in Cardiff shall apply to this ITSFT and the Competitive Dialogue and, subject to applicable law, any dispute, including any non-contractual dispute arising therefrom.

34. Pensions Bid Assumptions

[redacted]

35. Appendix I.A CVL Concept Design Train Service Requirements

- 35.1 Following completion of the CVL Transformation, the system shall be capable, as a minimum, of enabling operation of a train service with the parameters as set out in the tables below:

Table 1: Minimum Frequency

Route Section	Trains per hour
Rhymney-Bargoed	4
Bargoed-Caerphilly	4
Caerphilly-Cardiff Queen Street	6
Coryton-Cardiff Queen Street	4
Merthyr Tydfil-Pontypridd	4
Aberdare-Pontypridd	4
Treherbert-Pontypridd	4
Pontypridd-Radyr	12
Radyr-Cardiff Queen Street	12
Cardiff Queen Street-Cardiff Bay	8
Cardiff Central-Queen Street	12

Note: The minimum frequency stipulated for services north of Cardiff Queen Street is 2tph more than that south of Cardiff Queen Street. Bidders are free to determine how these services could be routed south of Cardiff Queen Street.

Table 2: Maximum Journey Time

Direct service between:	Minutes
Cardiff Central-Rhymney	50
Cardiff Central-Coryton	20
Cardiff Central-Merthyr Tydfil	50
Cardiff Central-Aberdare	50
Cardiff Central- Treherbert	50
Cardiff Bay-Rhymney	55
Cardiff Bay-Coryton	25
Cardiff Bay-Merthyr Tydfil	55
Cardiff Bay-Aberdare	55
Cardiff Bay-Treherbert	55

Table 3: Direct Services

Direct service between:	Trains per hour
Cardiff Central-Rhymney	1
Cardiff Central-Coryton	1
Cardiff Central-Caerphilly	2
Cardiff Central-Merthyr Tydfil	1
Cardiff Central-Aberdare	1
Cardiff Central- Treherbert	1
Cardiff Central- Pontypridd	4
Cardiff Bay-Rhymney	1
Cardiff Bay-Coryton	1
Cardiff Bay-Caerphilly	2
Cardiff Bay-Merthyr Tydfil	2
Cardiff Bay-Aberdare	1
Cardiff Bay- Treherbert	1
Cardiff Bay- Pontypridd	4

Table 4: Period of operation

Days	Period of operation
Mondays to Saturdays	05:25-00:55
Sundays	08:00-23:00

Additional Stations

The system should be capable of enabling operation of a train service with the parameters set out in Tables 1, 3 and 4 with additional stations added to the route sections as set out in Table 5. Any increase to the journey times set out in Table 2 should be kept to a minimum

Table 5. Additional Stations

Route section:	No. of additional stations
Rhymney- Caerphilly	2
Caerphilly-Cardiff Queen Street	2
Cardiff Queen Street-Cardiff Bay	2
Merthyr Tydfil-Pontypridd	2
Aberdare-Pontypridd	1
Treherbert-Pontypridd	1
Pontypridd-Cardiff Queen Street	2
Coryton-Heath Low Level	1

36. Appendix I.B CVL Concept Design

36.1 See document provided separately

37. Appendix I.C CVL Concept Design – Change Control Process

37.1 See document provided separately

38. Appendix I.D Final Tender CVL Engineering Requirements

38.1 See document provided separately

39. Appendix I.E Draft Code of Construction – Part I

- I. See document provided separately