



Wales and Borders Rail Service and South Wales Metro

Invitation to Submit Final Tender

Volume 4: Performance Requirements

Issue date 30 November 2017

Audience	Bidders
Confidentiality	CONFIDENTIAL
Version	Conformed
Date	30 November 2017



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1. Introduction

- 1.1 The operational performance and service quality regimes will incentivise the ODP to deliver a consistently high-quality and reliable train service to passengers. The Authority requires the ODP to improve operational performance over the life of the ODP Grant Agreement to provide a Rail Service that people can depend on for their journeys to work, education and leisure activities. It also expects the ODP to deliver a material improvement in the passenger experience by increasing the quality of both Stations and train services.

2. Operational Performance

- 2.1 The primary measure of operational performance will be a Passenger Time Lost (“PTL”) metric that records the punctuality and reliability of train services at intermediate Stations along each route as well as the final destination. Passengers will benefit from the requirement on the ODP to manage the impact of delays and cancellations from other parties as well as the incidents for which it is responsible. On the WCB Services in particular, the ODP must work effectively with industry partners to improve operational performance. For the CVL Rail Services, the Authority expects the ODP to draw significant benefits from the vertical integration of infrastructure and train services while continuing to work with other parties as necessary.
- 2.2 The PTL regime aligns with the increasing industry focus on right-time performance at all Stations. PTL will initially be recorded at specified Monitoring Points. The Authority requires the ODP to work with Network Rail to increase the number of Monitoring Points on the route, to enable performance at a greater range of Stations to be recorded. The ODP should demonstrate how increasing the number of Stations monitored will be achieved and bring benefits to passengers.
- 2.3 The Authority requires the ODP to manage the rolling stock effectively such that the actual train formation is consistent with the agreed plan. As the demand for train services continues to grow over the Rail Services Term, the ODP should progressively reduce the level of Short Formations services in order to reliably accommodate the additional passengers.
- 2.4 The Authority also wishes to ensure that individual Stations are not unduly affected by skip stopping and cancellations. You are required to produce a Code of Practice, which formalises how you will manage the Rail Services in order to reduce the level of, and impact caused by, skip stopping and cancellations. The ODP will need to update the Code of Practice as demand patterns and service frequency change over the ODP Grant Agreement Term.
- Bid back PTL**
- 2.5 Your PTL forecast for each of the WCB Services and the CVL Rail Services should aim to meet or be lower (i.e. better) than the Operational Service Levels set out in Schedule 7.1 to the ODP Grant Agreement.

- R4.1** Provide your PTL forecast for the WCB Services for every Reporting Period of the Rail Services Term (including extensions).
- R4.2** Provide your PTL forecast for the CVL Rail Services for every Reporting Period of the Rail Services Term (including extensions).

Bid back Short Formations

- 2.6 Your Short Formations forecast for each of the WCB Services and the CVL Rail Services should aim to meet, or be lower (i.e. better), than the Operational Service Levels set out in Schedule 7.1 to the ODP Grant Agreement.
- R4.3** Provide your Short Formations forecast for the WCB Services for every Reporting Period of the Rail Services Term (including extensions).
- R4.4** Provide your Short Formations forecast for the CVL Rail Services for every Reporting Period of the Rail Services Term (including extensions).

Code of Practice: Skip stops and cancellations

- 2.7 You should produce a Code of Practice which formalises the principles for how you will manage the Rail Services to reduce the level of, and impact caused by, skip stopping and cancellations. The Authority wants to ensure that skip stops and cancellations fully consider passenger needs. This includes not only working to minimise the impact on passengers overall, but also ensuring that individual Stations are not unduly affected by skip stopping and cancellations. The Authority is seeking principles that can demonstrate not only that the Code of Practice is deliverable and robust, but also that wherever possible it is flexible and facilitates good communication and consistency of delivery to passengers.
- R4.5** Provide your “Code of Practice: Skip Stops and Cancellations”, which describes the principles for the operational procedures that you will put in place to ensure that the Rail Services are delivered at each Station. This Code of Practice should include a description of how these procedures will be applied, and how they will be monitored, reviewed and updated.

Evidence supporting operational performance forecasts

- 2.8 You should provide sufficient evidence that the PTL and Short Formations forecasts for the WCB Services and the CVL Rail Services will be achieved. This evidence should be supplied for each ‘initiative’ in your forecast. An initiative is a factor that: improves performance; enables other initiatives to be implemented; or mitigates risks that could adversely affect performance. For the WCB Services, you should also provide evidence as to how you will work with Network Rail to minimise performance issues. For the CVL Rail Services, you should also provide evidence as to how vertical integration of infrastructure and Rail Services will improve performance.
- R4.6** Describe your approach to achieving your PTL and Short Formations forecasts for the WCB Services. You should also highlight and explain any instances where these forecasts are above (i.e. worse than) the Operating Service Levels set out in Schedule 7.1 to the ODP Grant Agreement. Include the following information in your Response:

- a. Impact of the initiative on PTL and Short Formations forecasts;
- b. Structure, processes and financial investment to support the implementation of the initiative;
- c. Evidence that the impact of the initiative on the forecast of PTL and Short Formations will be realised;
- d. Supporting evidence from relevant parties; and
- e. How increasing the number of Stations monitored will be achieved¹.

R4.7 Describe your approach to achieving your PTL and Short Formations forecasts for the CVL Rail Services. You should also highlight and explain any instances where these forecasts are above (i.e. worse than) the Operating Service Levels set out in Schedule 7.1 to the ODP Grant Agreement. Include the following information in your Response:

- a. Impact of the initiative on PTL and Short Formations forecasts;
- b. Structure, processes and financial investment to support the implementation of the initiative;
- c. Evidence that the impact of the initiative on the forecast of PTL and Short Formations will be realised;
- d. Supporting evidence from relevant parties; and
- e. How vertical integration of infrastructure and train services will improve performance.

2.9 In Responses to R4.6 and R4.7, you may cross-refer to Responses in Volumes 3, 4 and 6. You are encouraged to keep such references tightly focussed and to a minimum.

3. Passenger experience

3.1 The Authority is seeking to ensure that passengers using the CVL Rail Services and the WCB Services experience the highest quality of service at every stage of their journey, from planning the journey using information available from sources such as apps or the internet, through navigating and using facilities at Stations, to travelling on the train. It expects that throughout their journey, passengers will be able to seek help from polite, informed, helpful and accessible staff who are proud of the railway they serve. In order to encourage delivery of industry-leading standards of service, the ODP will be monitored according to a number of

¹ The requirement in R4.6e relates to Monitoring Points as used for the calculation of Schedule 8 of the TAC and for PTL. For bidding purposes, the current Monitoring Point locations and their Monitoring Point Weightings should be assumed for calculating PTL forecasts. If new Monitoring Points (and changes to weights) are implemented in the Grant term, then PTL targets will be updated to reflect any underlying change to PTL that results from these changes. There is a standard industry process for updating Monitoring Points and their weights through the recalibration of Schedule 8 in each Control Period. The next opportunity to make changes through the standard industry process will be for Control Period 7. You may also propose solutions that build on this process.

different measures, each capturing different aspects of the passenger experience in different ways.

- 3.2 The Service Quality Regime detailed at Schedule 7.3 to the ODP Grant Agreement requires the ODP to meet a wide range of service quality standards, covering different aspects of the Station and the Rail Services, defined in the ODP Grant Agreement. The ODP will be expected to implement its own service quality management system within the first six months of the ODP Grant Agreement, involving regular monitoring of Stations and trains against the standards by suitably trained staff. The service quality management system submitted by the winning Bidder will be included as a commitment in the ODP Grant Agreement. Any failure to meet the standards will be recorded, and corresponding pass rates reported on a per-period and annual basis. In addition, in the event of a failure (whether reported in the course of an inspection, by staff at other times or by passengers), the Authority will require the ODP to take the necessary action to address the failure within a given timescale (within the service levels specified at Schedule 7.3 of the ODP Grant Agreement and varying with the standard).
- 3.3 To set benchmarks for the Service Quality Regime, the Authority has commissioned a survey of the Stations and trains used in the Previous Franchise Agreement. This has been undertaken using the standards defined in Schedule 7.3 to the ODP Grant Agreement, and in accordance with the methodology described in the report prepared by the consultant undertaking the survey (which has been provided to you, together with the full survey results - see “Service Quality Regime Survey and Analysis”). The results have been used to provide a baseline for the pass rates inherited at the start of the ODP Grant Agreement, and hence initial year values for the benchmarks. The change in the benchmark values over the life of the Service Quality Regime reflect the Authority’s expectations for improvement in the passenger experience.
- 3.4 The Rail Services will also continue to be subject to the National Rail Passenger Survey (“NRPS”), organised by the Passengers’ Council. The ODP will be expected to cooperate with the Passengers’ Council to ensure that the survey is undertaken with the required frequency. Separate survey results for the CVL Rail Services and the WCB Services will be made available to the ODP, and it will be expected to improve customer satisfaction on both parts of the network over the ODP Grant Agreement Term. Customer satisfaction levels will be compared to benchmarks in Schedule 7.2 to the ODP Grant Agreement and levels that are below the relevant benchmark will trigger contractual remedies. However, customer satisfaction will not be subject to financial incentives in the form of bonuses or penalties.
- 3.5 The Authority has prepared NRPS benchmarks, taking account of both the most recent NRPS results available (Spring 2017) and previous waves, as well as its expectations for improvement over the ODP Grant Agreement Term. These are included in Schedule 7.2 to the ODP Grant Agreement. You must confirm that you will meet or exceed these targets, but no additional credit will be given in the evaluation for exceeding them.

- 3.6 In addition, the ODP will be required to implement two additional surveys designed to measure the passenger experience regularly:
- a) A Customer Satisfaction Survey (“CSS”), which should complement rather than duplicate NRPS, providing a clear indication of how the ODP’s customers view the Rail Services; and
 - b) A Mystery Shopper Survey (“MSS”), undertaken by trained surveyors, providing a more objective measure of different aspects of the Rail Services.
- 3.7 The CSS and MSS should complement the information provided by the NRPS. Whereas the NRPS is designed to provide comparative information on a set of established satisfaction measures both over time and with other Train Operators, the CSS and MSS are seen as offering a means of gathering additional insights for improving the passenger experience. They might, for example, include a focus on specific aspects of geography, demography and/or service delivery.
- 3.8 You are expected to propose innovative ways of implementing regular CSSs and MSSs in order to complement the other measures. The proposals submitted by the winning Bidder will be included as commitments in the ODP Grant Agreement. Relevant benchmarks will be set during the first six months of the ODP Grant Agreement, based on a baselining exercise undertaken by the ODP. Benchmarks are seen as a way of measuring progress against the survey results generated by the CSSs and MSSs. However, they will be specific to the initiatives of each Bidder and are not expected to be directly comparable. Rather you should demonstrate how you will use benchmarks to improve the passenger experience.
- 3.9 The Authority and the ODP will undertake a regular review of all measures of passenger experience, using them to identify specific issues requiring immediate attention and to inform plans for enhancing the quality of the Rail Services over the long term.
- 3.10 The Customer and Communities Investment (CCI) Scheme outlined in Schedule 7.2 to the ODP Grant Agreement provides one means by which the ODP can improve the passenger experience using information gathered through the NRPS, CSS, MSS, consultations and other sources.

Approach to service quality monitoring

- 3.11 You should demonstrate that you will implement appropriate systems and processes for ensuring the service quality standards defined in Schedule 7.3 to the ODP Grant Agreement are met. This must include a process for regular monitoring by inspection of Stations and the train services and a system for recording and monitoring results covering the CVL Rail Services and the WCB Services (and allowing results to be reported separately for each). The monitoring process should take account of the profile of demand at different Stations and on different train services at different times of the day, week and year, but must also ensure that all Stations and train services receive due attention.
- 3.12 The Authority is interested in systems and processes that not only meet passenger needs, but also have the flexibility to offer increases in efficiency and/or

effectiveness including through the appropriate use of technology. The Authority also wants to see a regime that is predictive and proactive where possible.

- R4.8** Describe your approach to service quality monitoring, including:
- a. The process by which inspections will be undertaken, their frequency and coverage;
 - b. The resources used and the training that will be provided; and
 - c. The system used to record and report results.

Approach to meeting service quality benchmarks and fix times

- 3.13 You should demonstrate how you will meet the service quality benchmarks and fix times set out in Schedule 7.3 to the ODP Grant Agreement. You should also explain how reports of failures, whether generated by the service quality monitoring process, staff in the course of their normal activities or passengers, will be captured together with the corresponding fix times actually achieved.
- 3.14 The Authority is seeking an approach that is deliverable and robust, while also facilitating good communication and consistency of delivery with passengers.

- R4.9** Describe your approach to meeting service quality benchmarks and fix times and reporting the fix times actually achieved, providing information on:
- a. The approach to improving pass rates over the life of the Service Quality Regime in line with the improvement in the benchmarks;
 - b. The resources to be used and their deployment; and
 - c. The system for recording reported failures and the response to them.

Passenger experience measurement and management

- 3.15 You should confirm that you will meet or exceed the NRPS benchmarks in Schedule 7.2 to the ODP Grant Agreement. You should also demonstrate how you will measure passenger experience on the CVL Rail Services and the WCB Services using both a CSS and MSS, noting paragraphs 3.6-3.8 above.
- 3.16 You are required to bid a committed amount of funding to meet the CCI Amount requirements, but there is no minimum figure.

- R4.10** Describe your approach to measuring and managing the passenger experience, including:
- a. Confirmation that you will meet or exceed the NRPS benchmarks set out in Schedule 7.2 to the ODP Grant Agreement.
 - b. An outline of your approach to the CSS and MSS requirements, explaining how they will complement the Service Quality Regime and NRPS and highlighting how the results will provide a different perspective on the passenger experience;

- c. An outline of the survey methodology for the CSS and MSS, including the questions to be asked, the frequency with which the survey will be undertaken, the resources to be used and any training that will be provided;
- d. An outline of the means by which you will establish a baseline for the CSS and MSS against which survey results over the ODP Grant Agreement Term can be assessed; and
- e. Confirmation of your CCI Amount (as outlined in Schedule 7.2) and details of how initiatives for the CCI Scheme will be selected.

4. Managing disruption

- 4.1 In the case of the CVL Rail Services following CVL Asset Transfer, the ODP will be responsible for planning possessions, and will be expected to prepare a plan setting out the number and type of possessions that it expects to take each year. This will include a projection of the total Excess Generalised Journey Time (“EGJT”) for the forthcoming year as a whole, which will be agreed with the Authority and establish a value for allowed EGJT. The ODP will update and report progress against the plan each Reporting Period, and at the end of each Reporting Period the actual value of EGJT (based on actual possession taken) will be compared with the allowance.
- 4.2 In the case of both the CVL Rail Services and the WCB Services, the Authority will expect the ODP to implement a strategy for managing disruption arising from both planned possessions and unplanned events. This should be based on industry best practice and align with industry initiatives on effective disruption management such as the Office of Rail and Road’s Passenger Information During Disruption (“PIDD”) requirements and subsequent industry code of practice.

Bid back possessions minutes

- 4.3 Your projected value of EGJT for a “steady state” year following completion of CVL Transformation should be based on the relevant parameter values used in the calculation of compensation payments in Schedule 7.5 to the ODP Grant Agreement. Your approach to planning possessions and managing disruption during the period of the CVL Transformation should be set out separately in your response to Volume 8.

R4.11 Provide your projected value of EGJT in a “steady state” year, showing:

- a. Values of EGJT for the CVL Rail Services;
- b. Underlying assumptions about the number and type of possessions used as a basis for calculation; and
- c. The calculations showing the application of relevant Schedule 7.5 parameter values, with a short description of the tools you will use to carry out the Schedule 7.5 calculation during the ODP Grant Agreement Term.

Strategy for managing disruption

- 4.4 You should describe your strategy for managing disruption on both the CVL Rail Services and the WCB Services. This should include the approach that the ODP will take to collaborative operational decision making before and during disruption, the support it will provide to customers to help them to complete their journeys and the mechanisms it will put in place to ensure that it learns from individual disruption events with a view to improving their management in the future. In the case of the CVL Rail Services, the strategy should explain how the ODP will exploit the benefits of vertical integration to improve the management of disruption.
- R4.12** Describe your strategy for managing planned and unplanned disruption, providing information on:
- a. Collaborative operational decision making;
 - b. Provision of information and other support to passengers to minimise the impacts of disruption on their journeys, and communication of their rights in the event of disruption; and
 - c. Processes for reviewing disruption events and using the results of reviews to improve management of disruption in the future.