

Network Rail

Control Period 6 (CP6)

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Control Periods – 5 year timespans



ORR sets a Final Determination which is:



“what Network Rail should deliver in respect of its role in operating, maintaining and renewing its network in control period 6 (CP6) and how the funding available should be best used to support this..”

ORR CP6 Determination for Wales:

The Operational, Maintenance and Renewals budget of **£2bn** - record level of funding **(+28%)** available to spend on running the railway in Wales and Borders.

Focus in CP6 will be on maintaining and renewing our existing infrastructure, and delivering a significant number of local improvement schemes:

£231m to renew or refurbish 398km of plain line track railway,

£113m to improve signalling reliability in west Wales,

£49m to repair or renew more than 2,100 earth structures across the route.



CP6 - Introduction

ORR CP6 Determination for Wales:

Renewal of the Grade II listed **Barmouth Viaduct**

Renewal of the pumps at **Sudbrook pumping station**, which pumps water from the Severn Tunnel

We also plan to invest significantly more in maintenance, particularly in **Off Track**, to help improve workforce safety and train performance through additional vegetation management, drainage refurbishment, fencing and access point improvements

Improve community safety by incorporating new technology at **level crossings** and closing crossings whenever possible



Infrastructure Projects (IP) Wales

CP6 Procurement

Strategic Business Plan

- ▶ Business plan for CP6 made up of smaller renewals
- ▶ Enhancements are being delivered via a different model to CP5 – not part of the SBP
- ▶ Based on lessons learned in CP4 and CP5:
 - CP4 procurement was very biased towards a competitive tender basis – ‘lowest price wins’
 - The strategy for CP5 was to work ‘closer with fewer’. The intention to create the competition at the beginning – and then work closely with the suppliers to deliver efficiently
 - Both diametrically opposed on the procurement continuum
 - We did not meet our efficiency targets on either – so we must change and improve

CP6 Procurement Model for Wales



- ▶ The procurement was initiated through OJEU rather than RISQS – ‘open market’
- ▶ Asset based rather than multi-disciplined – targeted ‘category management’ procurement

Delivery Framework			
Spend	Tier	Discipline	Route to Market
Above Threshold	1 or 2		MAFA Framework or Open Market Tenders
Below Threshold	1, 2 or 3	Civils (U/B, O/B, Sea Defences, Scour and Masonry)	3 Suppliers Direct Award or Mini Tender
		Metallic Structures	As Above
		SP&C and E&P	2 Suppliers (Direct Award or Mini Tender)
		Geotechnical (Earthworks and Drainage)	As Above

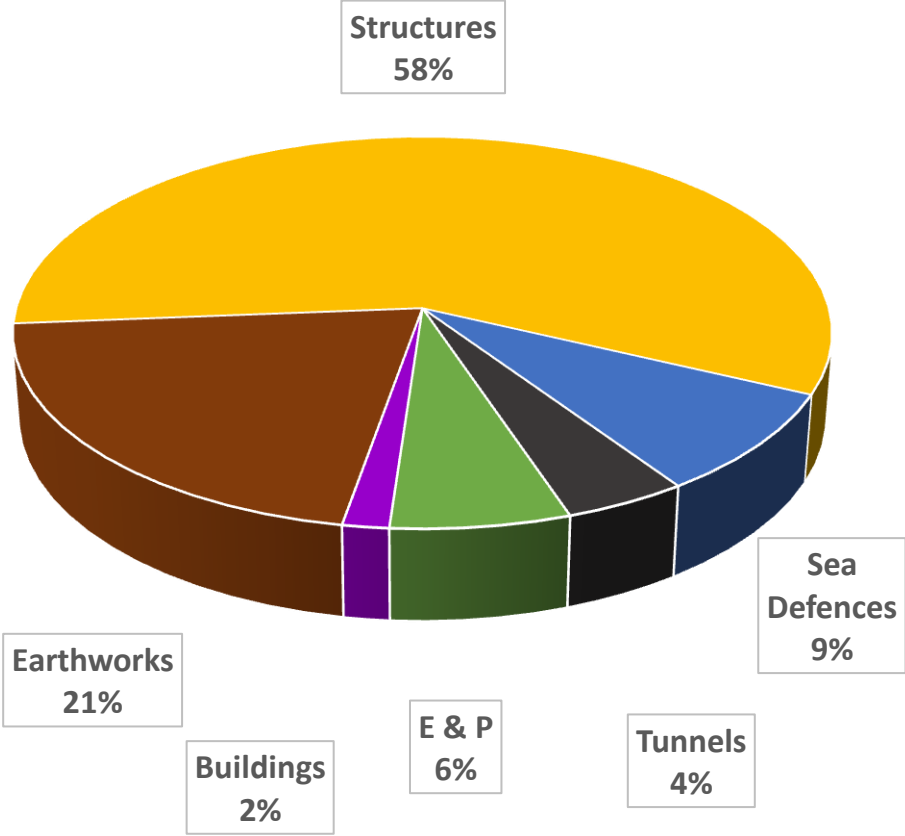
- ▶ Competition maintained throughout the life of the framework via benchmarking and mini-tenders
- ▶ “Sweet spot” on procurement continuum? Provides commitment to supply chain to enable stability and security, to facilitate investment in areas such as plant, training, R&D BUT maintains competitive tension.....

CP6 Procurement – Workbank – Wales



CP6 Work bank Split by Type

	Y1	Y2	Y3	Y4	Y5	CP6 Total
Earthworks	£13.0 m	£11.6 m	£13.2 m	£9.8 m	£4.5 m	£52.2 m
Structures	£18.8 m	£33.7 m	£46.0 m	£33.4 m	£13.0 m	£144.9 m
Underbridge	£13.4 m	£17.1 m	£24.9 m	£13.5 m	£6.6 m	£75.5 m
Footbridge	£0.1 m	£1.2 m	£0.0 m	£0.0 m	£0.0 m	£1.3 m
Major Structure	£1.2 m	£4.4 m	£12.8 m	£4.9 m	£0.2 m	£23.6 m
Overbridge	£0.7 m	£4.4 m	£0.8 m	£6.3 m	£0.3 m	£12.6 m
Sea Defences	£2.1 m	£4.2 m	£5.5 m	£5.4 m	£3.9 m	£21.1 m
Tunnels	£1.2 m	£2.4 m	£2.0 m	£3.2 m	£1.9 m	£10.8 m
E & P	£2.1 m	£1.7 m	£5.6 m	£4.3 m	£2.0 m	£15.7 m
Buildings	£0.9 m	£3.2 m	£0.0 m	£0.0 m	£0.0 m	£4.1 m
Grand Total	£34.9 m	£50.2 m	£64.8 m	£47.6 m	£19.5 m	£216.9 m



CP6 Procurement PQQ – New Approach



▶ 10 Suppliers for each lot moved into stage 2



Site Manager Interviews

- Risk Management
- Protection of third parties
- Safe management of contractors and staff
- Emergency preparedness
- Change control
- Managing unsafe practices and processes
- Health and wellbeing
- Assurance
- Fatigue
- Company safety culture



Senior Executive Interviews - Safety



- Leadership commitment to safety
- Health and safety culture
- Analysing and measuring improvement
- Strategic health and safety goals
- Safety decision making
- Historic safety performance and actions taken as a consequence



Design and Construction Practical Review

- How effectively your duties under the Construction (Design and Management) Regulations 2015 (or the European Union Council Directive 92/57/EEC - temporary or mobile construction sites, for non-UK projects) are discharged on a live worksite.

Planned General Inspection



CP6 Procurement - Details



- ▶ Based on the new suite of contracts (including PBA's)
- ▶ National Performance Measures mandated
- ▶ Apprentices required (1 per £3m of spend for contracts over £10m)
- ▶ Pricing Documents in Rail Method of Measurement from a Cost Plan

- ▶ Scoring Criteria:

Evaluation criteria		PQQ	ITT
Commercial Terms and Price		-	50%
Non-commercial criteria	Health & Safety	20%	10%
	Sustainability	5%	5%
	Technical, Methodology & Quality	50%	10%
	Programme	N/A	5%
	Consents & Environment	N/A	N/A
	Innovation	5%	7.5%
	Resource	N/A	7.5%
	Behavioural & Collaboration	20%	5%
	Equality & Inclusivity	N/A	N/A
	Legacy	N/A	N/A

- ▶ Pre-Qualification Questionnaire process - October to February 2019
- ▶ Invitation to Tender - end of February 2019
- ▶ New Contracts in place - October 2019

Thank you.....