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1. PURPOSE

1.1 The purpose of this requirement is to procure legal services to consider and review various corporate models for the incorporation of an East West Rail (EWR) company, including possible vertical integration models. It is intended that as much as possible of resultant land value increment from the railway will be captured to help fund this.

2. BACKGROUND TO THE CONTRACTING AUTHORITY

2.1 The Rail Group is a single, integrated body established by the Department for Transport (DfT) to take Britain’s railway into the future, with passengers at the centre of the journey.

2.2 The Rail Group defines rail policy, and sets the strategic direction for the industry in England and Wales. A long-term vision is essential to improve the existing network, and to create new capacity to meet existing and projected passenger demand. In addition, the organisation awards and manages rail franchises, regulates train fares, and works with devolved authorities to deliver passenger benefits.

2.3 The role of Network Services Directorate is to ensure that government funded investments in the railway infrastructure are effectively planned and prioritised, and delivered in the most efficient and cost effective way to deliver the best passenger and freight outcomes. Those decisions are based on sound analysis and appraisal on which the Directorate also leads for the whole of the Rail Group.

3. BACKGROUND TO THE REQUIREMENT/OVERVIEW OF THE REQUIREMENT

3.1 It was announced by the Secretary of State Chris Grayling in December 2016 that the East West Rail project would offer a new way of building, operating, maintaining and renewing a new line between Cambridge and Oxford.

3.2 Current plans are for the Western section of EWR (Bicester to Bedford) to be built through the East West Rail Alliance (an alliance of Network Rail, Atkins, Laing O’Rourke and Volker Rail). It is intended that the central section (Cambridge to Bedford, but this could include the parts of the Western section to Bletchley and/or Milton Keynes), will be let via a Design Build Finance Maintain (DBFM) contract.

3.3 Following this DfT require legal advisors to aid in considering various corporate models for the incorporation of a EWR Company.

4. DEFINITIONS

Expression or Acronym	Definition
EWR	East West Rail
SoS	Secretary of State.
DBFM	Design, Build, Finance and Maintain

5. SCOPE OF THE REQUIREMENT

5.1 To carry out due diligence on the East West Rail Alliance agreement.

5.2 To provide advice on establishing the East West Railway Company.



5.3 Advice may also be required on land value capture and property.

6. THE REQUIREMENT

6.1 To carry out due diligence on the East West Rail Alliance agreement, including to provide:

6.1.1 An outline of responsibilities that fall to Network Rail, and the other parties.

6.1.2 An assessment of the liabilities that arise from the Alliance agreement, particularly in relation to Network Rail.

6.1.3 An analysis of the scope to novate the agreement from Network Rail to another third party, and a summary of the potential options for doing so.

6.1.4 A view on the potential to revisit the terms of the alliance agreement, in order to drive improved value for the taxpayer.

6.2 To provide advice on establishing the East West Railway Company, which may include:

6.2.1 A review of the likely framework and governance documents required.

6.2.2 Advice on and drafting of Project Development Agreement between East West Railway Company and the SoS.

6.2.3 Advice on the legal constraints on setting up a new organisation, and the regulatory approvals required/options available.

6.3 Advice may also be required on land value capture and property, to include:

6.3.1 Advice on the legal aspects of land value capture mechanisms;

6.3.2 Ad hoc planning issues.

7. KEY MILESTONES

Milestone	Description	Timeframe
1	We will require preliminary advice on the Western section contracts by the end of October.	End of October 2017

8. AUTHORITY'S RESPONSIBILITIES

8.1 There are no specific responsibilities of the Authority.

9. REPORTING

9.1 The Department expects the Supplier to provide the following in accordance with 16.1.1 targets:

9.1.1 Monthly timesheets for approval by the Department before an invoice is submitted.



9.1.2 Weekly Reports in a format to be agreed detailing what has been achieved that week and the plan for the following week and highlighting issues, risks and opportunities.

9.1.3 A report summarising the monthly review meetings as detailed in 16.1.1

10. VOLUMES

10.1 As this is a call-off contract volumes of work cannot be guaranteed.

11. CONTINUOUS IMPROVEMENT

11.1 The Supplier will be expected to continually improve the way in which the required Services are to be delivered throughout the Contract duration.

11.2 The Supplier and the Department will meet monthly to discuss the delivery and other contractual arrangements of the EWR advice and whether any improvements in ways of working or communications could be made to improve general delivery outcomes.

11.3 Changes to the way in which the Services are to be delivered must be brought to the Authority's attention and agreed prior to any changes being implemented.

12. SUSTAINABILITY

12.1 There are no specific sustainability considerations relevant to this requirement.

13. QUALITY

13.1 There are no specific quality considerations relevant to this requirement.

14. PRICE

14.1 This will be a call-off contract, and will be capped by a maximum contract value.

14.2 Potential Suppliers must provide hourly, daily, and monthly rates for the core team members who would undertake work under this contract.

14.3 Tendered rates shall be valid for the contract duration, including the extension option.

14.4 Prices are to be submitted via the e-Sourcing Suite Appendix E excluding VAT.

15. STAFF AND CUSTOMER SERVICE

15.1 The Authority requires the Potential Supplier to provide a sufficient level of resource throughout the duration of the EWR Legal Advisory Services Contract in order to consistently deliver a quality service to all Parties.

15.2 Potential Supplier's staff assigned to the EWR Legal Advisory Services Contract shall have the relevant qualifications and experience to deliver the Contract.

15.3 The Potential Supplier shall ensure that staff understand the Authority's vision and objectives and will provide excellent customer service to the Authority throughout the duration of the Contract.

16. SERVICE LEVELS AND PERFORMANCE

16.1 The Authority will measure the quality of the Supplier's delivery by:

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16.1.1

KPI/SLA	Service Area	KPI/SLA description	Target
1	Monthly meeting reviews	The Supplier and the Department will meet monthly to discuss the delivery and other matters of Contractual arrangements of the EWR advisors and whether any improvements in ways of working or communications could be made to improve general delivery outcomes. The Supplier will provide a report summarising the above in a format to be agreed.	By 10:30 a.m. on the last Friday of the month.
2	Weekly Reporting	If requested, provide a weekly report in a format to be agreed detailing what has been achieved that week and the plan for the following week and highlighting issues, risks and opportunities.	By 10:30 on the last working day of each week.
3	Timesheets	Monthly timesheets for approval by the Department. To be submitted on the first working day of a new month for the previous month.	First day of the next month.

17. SECURITY REQUIREMENTS

17.1 There are no specific security requirements.

18. INTELLECTUAL PROPERTY RIGHTS (IPR)

18.1 In line with Framework Terms and Conditions.

19. PAYMENT

19.1 Monthly timesheets will need to be supplied for approval by the Department before an invoice is submitted. This must set out a detailed elemental breakdown of work completed and the associated costs. Once the Department has approved these timesheets, an invoice can be raised and submitted. The Department will undertake its review of the timesheets within 5 working days of receipt.

20. ADDITIONAL INFORMATION

20.1 There is no further information for this requirement.

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21. LOCATION

- 21.1 The Supplier will be required to deliver the majority of services under this contract from their own premises. Unless agreed to the contrary, client meetings will be held at the Supplier's offices.
- 21.2 The address of the Contracting Authority is below: Department for Transport, Great Minster House, 33 Horseferry Road, London SW1P 4DR.