

ANNEX: TRANSPORT FOR WALES

1 Introduction

Transport for Wales (TFW) was established by Welsh Government in 2015.

- It is a wholly owned, not-for-profit company that was established to provide support and expertise to the Welsh Government in connection to transport projects in Wales.
- It is one of the delivery elements of the Welsh Government's vision for delivering a transformational integrated transport system in Wales, providing high-quality, safe, affordable and sustainable transport for all.
- Its structure has been designed to be an agile and flexible resource with the ability to scale up or down resources to meet project need, to meet variable requirement and improve the Welsh Government's ability to recruit skills from the market more quickly.
- It is currently designing and undertaking the procurement process for the next Wales and Border Rail Service and Metro on behalf of the Welsh Government.

2 Key Objectives

- Plan and propose the right mixture of skills, experience and knowledge in the organisation required both to deliver franchise competition and in future to manage the franchise.
- Develop proposals to enable the delivery of a significantly improved transport system for South Wales (the Metro).
- Advise on suitable and effective mechanisms for maximising the long-term efficiency of rail investment in Wales.
- Advise on options for the next Wales and Borders franchise, so that the design of rail services supports the Welsh Government's economic and social ambitions.
- Advise on investment options in terms of broader transport integration.
- Access the practicalities of a range of medium and long-term rail engineering investment options.
- To ensure the Welsh Government are fully informed on the progress against each of the KPIs (Key Performance Indicators) on a quarterly basis.

3 Key Outputs (for 2016/17)

- Agree a 12 month rolling Business Plan and Operational Budget.
- Continue to develop effective corporate and programme governance arrangements.
- Continue to put in place mechanisms for recruiting and appointing commercial, technical, legal and financial expertise to advise on the next rail competition and on other major transport infrastructure projects (to include a policy on appropriate remuneration levels).
- Continue to strengthen the skill-set or the organisation to support the work for the award of the next rail franchise, delivery of the Metro programme and advise on other major transport infrastructure projects.
- To establish a resource to advise the Welsh Government on bus service provision and general integration of public transport.
- Advise on wider UK specified franchises that serve Wales.
- Continued market engagement for the franchise and Metro procurement.
- Develop and implement the delivery model for the Metro programme.
- Liaise directly with the JASPERS advisory service in the preparation of the EU Cost Benefit Analysis required for EU funding.
- Support the EC Major Projects application in Winter 2016/17.
- Report on cost effective solutions for North Wales coast mainline electrification.

4 Key Performance Indicators

For 2016-17 The Company will be monitored against the following performance indicators:

- TfW's contribution toward the objective of capacity building for the next rail franchise.
- TfW's contribution to the Welsh Government's rail modernisation programme.
- TfW's contribution to the development of an integrated transport system in Wales, especially the Metro programme.
- TfW's contribution to the establishment of a recruitment and remuneration strategy for employees of the Company.
- Client satisfaction with the quality of service provision.

Visit <http://gov.wales/topics/transport/transport-for-wales/?lang=en> for full details and to download the Company's 2016/17 Business Plan.

5 Project Procurement Announcement

The Welsh Government is carrying out a procurement to secure an operator and development partner (an "ODP") to operate the Wales and Borders Rail service and to develop plans for, and subsequently implement and operate, the Core Valley Lines as part of Metro Phase 2 in the Cardiff Capital region covering the ten local authorities of South Wales.

The procurement was advertised in the Official Journal of the European Union (OJEU) on 19th July 2016, reference 2016/S 137-247785, under the Utilities Contracts Regulations 2016.

The Welsh Government's vision is for a modern, efficient rail service to build on the successes of the current Wales and Borders Rail Franchise, using modern technology and working practices to deliver an improved service for passengers.

The priorities are for:

- Development of new services and increased capacity on existing congested services
- Modern rolling stock, complying with modern standards
- Improved efficiency realising savings which can extend the service further
- Co-operation with other transport providers to provide an integrated public transport service, and
- A commercial structure which incentivises the right behaviours with fair commercial returns.

The ODP will coordinate works from a range of ECI Contractors to deliver the improvements that will provide whole system thinking ensuring the priorities result in an improved service for passengers.

An indicative timetable for the procurement process is set out below:

Operator and Development Partner (ODP) - Timescales

- OJEU Contract Notice: July 2016
- Invitation to Participate in Dialogue: October 2016
- Bidders respond with Outline Solutions: November 2016
- Dialogue commences: January 2017
- Final Tender: July to September 2017
- Contract Award: December 2017

ECI – Timescales

- OJEU Contract Notice: June 2017
- Invitation to Tender: September 2017
- Tender submissions: December 2017
- ECI Contract Award: March 2018.

Visit <http://gov.wales/topics/transport/transport-for-wales/procurement/?lang=en> for full details.