

# Stakeholder relations code of practice

## **Applying for or extending franchise contracts**

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# 1. Introduction

You'll want to read this section of the code of practice if you're considering bidding for, or extending, an existing franchise contract.

## 2. Bidding for a franchise

The first thing to do is contact the Department for Transport (DfT) after they announce that they're going to offer a new franchise. This announcement will include all the information you'll need to make a bid.

Once you've started the bid process, you'll need to liaise with us during various stages. This is the standard process:

### 1. DfT announces franchise

The DfT advertises that they're offering a new franchise, and asks for bids. Then they carry out an evaluation process to pick a shortlist of pre-qualified bidders.

### 2. Signing a confidentiality agreement with us

Our Contracts and Franchising team will liaise with all the pre-qualified bidders to sign a confidentiality agreement. We need this to make sure that no-one reveals any of the information disclosed during the tendering process.

### 3. Invitation to tender issued

The DfT will issue an invitation to tender to all the pre-qualified bidders. The invitation includes one or more service level commitments as part of the specification. These service level commitments describe the scope, frequency, timing and extent of services that the franchisee will operate. Before they issue the invitation to tender, the DfT will consult with us to make sure we can deliver the service level commitment. The invitation will also include instructions to bidders about how to submit a franchise bid, which will usually allow the franchise bidder to offer variant service level commitments (subject to DfT confirmation) if the bidder thinks they might give better value for money. When you're preparing to bid, you can ask our commercial advisor anything you need clarified on the base case service level commitment or on any variant it mentions. All discussions will be covered by the confidentiality agreement.

As part of the invitation, the DfT may also issue a draft track access contract to give a sound basis to bid on. We'll consult with the DfT about what to include in this draft contract.

### 4. Evaluating bids

The DfT will evaluate the bids and consult with us on whether you/we can deliver them.

### 5. Announcing the successful bidder

The DfT will announce the successful bidder. If there's no track access contract in place to the end of the next timetable change year, our Contracts and Franchising team will work with the successful bidder to develop one before the franchise starts.

In some cases, it will have started or been completed with the incumbent franchisee or the DfT, due to the ORR's submission requirements, so that there's already a contract in place for service continuation. You can change it later, as long as you've got agreement from both us and the new franchisee.

#### 6. Track access contract development

We'll develop a track access with you if your bid's successful, so you can operate train services on our network. This is an agreement between us and you (as a train operator), and details how much you'll need to pay us, the train paths you've got the rights to use, more details about the services, and the performance regime between us.

You should also read the full procedure for gaining a track access contract set out elsewhere within this Code section 7 of the code. We'll discuss the timescales with you, according to this procedure.

We may start negotiating the contract with the DfT before they choose the successful bidder. If we've already agreed the timetable with the DfT (according to the timetable development process), we'll base the contract's train paths on this timetable.

We'll inform the ORR of negotiations on the contract, and once we've agreed a draft, we'll submit it to the ORR for approval under section 18 of the Railways Act 1993. The ORR will use the [Criteria and procedures for the approval of track access contracts](#) when they consider the application.

Once the ORR have approved the contract (with or without modifications), we'll enter into it with you, according to the ORR's directions, and it will become an operational agreement from the effective date.

## 3. Extending a franchise

If you're an existing franchisee and you want to extend your franchise term, you should first contact the DfT.

Where they agree that extending the existing agreement is appropriate, you'll need to negotiate a new track access contract with us to reflect that.

## 4. Who do I contact?

If you would like to discuss bidding for or renewing a franchise, please contact:

John Boon  
Commercial Manager, Contracts & Network Code  
Network Rail  
Kings Place  
90 York Way  
London N1 9AG

Tel: 020 3356 9286

Email: [john.boon@networkrail.co.uk](mailto:john.boon@networkrail.co.uk)

If you have a general enquiry however, or need to contact us for any other reason, please call our 24 hour National Helpline on 0845 711 4141.