

This contribution is in response to the invitation from the Committee to comment on the issues being considered by the enquiry and provides the observations of the writer as professional engineer with over 40 years' experience in UK infrastructure. It is based on a limited knowledge of the current procurement process obtained via the media and public notices. It does not necessarily represent the views of ACE members as no local consultation has been undertaken. This is because many of our active members currently have direct interest in the procurement process.

Before addressing the noted issues directly an observation is made on the timing of this particular Committee Enquiry. It is understood that the procurement process is underway and it is assumed that the rules for tendering are established with the bidding teams through documentation issued by Transport for Wales (TfW). It is also recognized that the EIS Committee will wish to be well-informed when scrutinising Welsh Government proposals for award of the Contract. It is suggested therefore that care is needed in the timing of any negative or specification-changing recommendations that might jeopardise the award process. The costs of tendering by the four teams will be substantial such that the appraisal process will itself be under close scrutiny by them. The East Coast Main Line franchise experience might be noted in this regard.

Issue 1: The effectiveness of the Welsh Government's approach to the development, procurement and delivery of the rail franchise and South Wales Metro, including key risks and how they can be mitigated;

- a) The initiative has been described as an "ambitious and creative not for profit model". The procurement strategy is agreed as bold and ambitious and is possibly, in its £5bn value, of unprecedented scale in Wales. The apparent objective to pursue an integrated transport agenda is welcomed but it is suggested that highly effective project management will be vital to the successful delivery of the development objectives. This will require appointment of an exceptionally well-skilled team with extensive experience of projects of the largest scale but with the adaptability and local knowledge to deal with the plethora of stakeholder issues that will inevitably arise when working in the urban environment with 100+ year old infrastructure. A clear plan with no invisible obstacles and continual funding stream will be vital. Lessons learned from the Great Western Electrification projects will be important.
- b) Without knowledge of any tender specification, stipulated or anticipated requirements for passenger movements in the Metro are not clear. It seems important that the over-arching objectives are established – for example – are commuter movements in and out of Cardiff to be prioritised (68% growth recently predicted). Or, given restrictions on land and the desire to create employment in the Valleys should the motivation be to transport people out of the city areas? Movements of not just passengers needs proper planning – freight is also important.

- c) It is noted that three of the four tendering teams have a high level of representation of companies from mainland Europe. Is the (possibly unknown) effect of Brexit on these companies manageable within the tender process given the proposed award early in 2018?
- d) Information on proposed coordination and, hopefully, collaboration with Network Rail has not been seen. The project management referred to above will need to fully embrace all the interfaces with Network Rail and other Train Operating Companies (including freight operators) active in Wales. Clearly defined objectives and responsibilities will be needed and the necessary resources committed in the interests of timely involvement and delivery.

Issue 1(continued)

- e) Not all of the rail routes are contained wholly within Wales – it is assumed that an appropriate arrangement exists with UK government to avoid an imbalance of investment through cross border interests.
- f) It appears that the procurement process includes for separate opportunities for (other) infrastructure contractors to undertake the detailed design and construction some of the development works under Early Contractor Involvement principles. Indications are that framework contracts will be established under 3 Lots — Electrification, General Civils and Track Works. A key strategy for the project will be in the way that these contracts are procured – how the workload is divided into manageable packages and how the appropriate capabilities and skills are procured efficiently. As Client TfW will wish to be assured that the Lead Contractor has proposals and demonstrable experience to do this effectively and the in-house resource to oversee this. Critical to this will be cross disciplinary coordination.
- g) Currently there is evidence of significant concern with other framework contracts in Wales – particularly with SME's who, at a recent conference, made strong assertions that it was easier to win work in England. This is likely to create challenges to the project in delivering the economic return to Wales and associated community benefits.
- h) As stated, this is an ambitious and possibly complex high value procurement such that identification of the favoured provider is likely to be a significant challenge. Without details of any scoring system or other means of judging proposals it is difficult to offer an opinion on the strategy for this but it seems likely that there is a prescribed process in place. The robustness to scrutiny of this process could be important.

Issue 2: Priorities for the franchise specification and Metro delivery to ensure rail services meet the needs of current and future travellers throughout the franchise area, and deliver value for money for both passengers and the taxpayer.

- i) Press reports have focussed quite heavily on the possible use of light railway and trams and the tendering teams apparently have significant experience of this type of project. It seems important to make sure that proper consideration is given to the movement of freight and that a “heavy rail”

facility remains as required and is developed as appropriate to aspirations for industrialisation. This is relevant to the plan for rail movements referred to in (b) above.

- j) The route plan for the Metro seems to focus largely on the routes in and out of the centre of Cardiff. East-West radial routes in the city are currently not well served and there would appear to be opportunity, presumably with interconnected bus routes, to improve this?
- k) There appears to be considerable focus on the involvement of the Metro scheme in the new Wales and the Borders franchise. It is hoped that emphasis on investment in some of the more outlying routes is not distracted by this and that the whole picture is given proper consideration in the assessment of tenders and agreement of the strategy going forward. The Heart of Wales Line and the Cambrian Lines are examples of valuable facilities in the promotion of Wales as a tourist destination and are significant in our cultural heritage. The legacy of the Beeching era is not a comfortable one and opportunities should be sought to maximise the benefit from these facilities.

Issue 2 (continued)

- l) 19th and 20th century industrialisation in Wales was heavily served by railways and dis-used and under-used routes are likely to exist both in South and North Wales. Since the proposed development of railways within this project is largely focussed on the urban areas land availability is almost certain to be a challenge. In both England and Scotland old disused routes have, or are being, reinstated – for example the East-West Route Project between Oxford and Cambridge and the Borders Railway. Similar opportunities may exist in Wales but even if none are shown to be viable there will be many existing rail corridors with “spare” width – for example where bi-directional single tracks have replaced original double tracks or the original track bed served multiple tracks such as around Cardiff. The current project could look to exploit such corridors for enhancement of the transport systems with the aim of minimising other interventions, and also for improvement of communication systems such as for Broadband.