NetworkRail

SME Supplier Guide

Introduction

This guide is for small and medium sized enterprises **(SMEs)**. It aims to provide:

- Context and direction to help SME suppliers bid for contracts with us or within our supply chain
- Information on elements that SME suppliers have told us can be confusing or challenging when delivering a contract for us.

If you feel that there are additional topics that it would be helpful for this guide to cover, please email us: **suppliercommunications@networkrail.co.uk**

Commercial & Procurement at Network Rail

Our organisation structure has 14 routes which are supported by five regions, each led by their own managing director. This allows us to work more closely with the relevant train and freight operating companies and better meet the needs of passengers and freight at a local level.

The five regions are:

1. Scotland's Railway
Scotland Route

2. North West & Central
Central Route
North West Route
West Coast South Route

3. Eastern
Anglia Route
East Coast Route
East Midlands Route
North & East Route

4. Wales and Western
Wales & Borders Route
Western Route

5. Southern
Kent Route
Managed Stations
Network Rail High Speed
Sussex Route
Wessex Route

There are six Commercial & Procurement teams across Network Rail, one for each region and a Route Services team. These are all focused on delivering economic, efficient and effective commercial solutions, working with our partners across our supply chain.

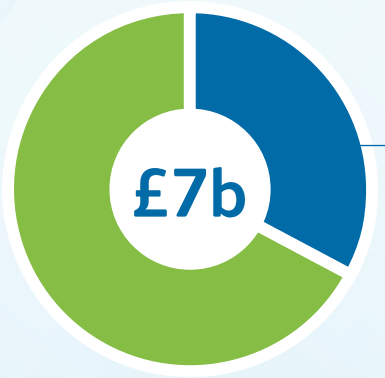
This is the devolved model introduced in 2019 as part of our Putting Passengers First strategy. We work together as a commercial community to deliver the best solutions for our passengers and freight users.

What we buy

We purchase goods, services and works to help build, support, and operate the railway. Every year, we spend around £7 billon and we're committed to maximising the value delivered by each and every supplier. We have worked with over 11,000 suppliers who have supplied us with goods, services and works across the following categories and more:

- PPE, clothing and ancillaries
- Portable plant & tools
- Property minor works
- Travel and venue services
- Stationery and general office suppliers
- Furniture
- Print and mailings
- Management consultancy
- IT solutions
- IT equipment
- Recruitment
- Training

And of that £7 billion annual spend, we have committed that at least 33 % of it will be with SMEs (direct and indirect). This equates to over £2 billion annually.



33%

to SME annual spend

Our Contracts

As we purchase many different things, we use different contracts which are suited to the details and complexity of our purchases. That's why it's important to always check the contract in the tender pack carefully every time, and not assume it's the same one as used before.

Generally, these are the usual types of contracts we use for the following. Please note, framework contracts are not shown below but can also be used.

1 Major Works

- NR24 NEC4 Engineering and Construction Contract (ECC)

2 Minor Works

- NR28 NEC4 Engineering and Constriction Short Contract (ECSC)
- NR36 NEC4 Term Services Short Contract (TSSC)
- NR4(S) Purchase Order Conditions for Works of Simple Content without Design

3 Construction design and professional support services

- NR3(S) Purchase Order Conditions for Construction Services
- NR25 NEC4 Professional Service Contract (PSC)
- NR26 NEC4 Professional Service Short Contract (PSSC)

4 Professional Services (non-construction)

- NR1 Goods And/Or Non Construction Services Contract
- NR1(S) Purchase Order Conditions For Goods ad/or Non Construction Services
- NR(IT)1 IT Solutions and System Integration Services (Standalone Contract)
- NR2 Universities R&D Contract

5 Goods

- NR1 Goods And/Or Non Construction Services Contract
- NR1(S) Purchase Order Conditions for goods and/or non construction services
- NR31 NEC4 Supply Contract (SC) NR32 NEC4 Supply Short Contract (SSC)

6 Other

- Works to NR Plant - NR33 NEC4 Works to NR Plant
- Hire of Plant - NR6(S) Purchase Order Contract for Short Term Hire of Plant
- Hire of Cabins - NR6 Hire of Cabins

Full versions of our contracts (excluding NEC) are available to view on our website.

Protecting your intellectual property

We know that when you create something unique, you want to keep it safe. Our contracts are written to protect your ideas and creations. Here's what our contracts will generally say (although there can be exceptions) in plain language:

- If your company creates something new while working with us, you still own it. You'll let us use, copy, and make changes to it to finish the project or to adapt it for other needs.
- Even if you stop working with us, we can still make use of what you created.
- Neither of us can use the other's creative work, like logos or trademarks, without permission.

It's very important to read each contract carefully when you're bidding for a contract with us. This is to make sure the rules are applicable for what you are bidding for. If you're worried about your intellectual property rights while bidding, you can ask questions through the clarification process to which the Procurement team will provide a response.

If you are entering into an innovation contract with us, the contract will have a lot of specific information about who owns the ideas and how we'll handle that. It's always a good idea to talk to a lawyer if you need help understanding it.

Finding our opportunities

As a publicly funded organisation, we are bound by UK procurement legislation, specifically the Procurement Act 2023. This states how we spend money to ensure it is done on a fair, open and transparent basis. The thresholds below are the minimum values of procurements that trigger the application of the new Procurement Act 2023:

£426,955
For supply and service contracts and design contests

£5,336,937
For works contracts

£884,720
For light touch utilities contracts

These thresholds are inclusive of VAT and took effect from 1 January 2024. It's important to note that these values are periodically updated, so it's always a good idea to check the latest figures on **www.gov.uk** if you're considering bidding for a contract.

We advertise our contract opportunities on the government's **Find a Tender Service (FTS)** (above threshold only). You can use this to search for our upcoming contract and framework opportunities. Once a framework has been awarded, only the suppliers with a place on the framework can be awarded work.

*Network Rail uses the Railway Safety and Standards Board (RSSB) Rail Industry Supplier Qualification Scheme (RISQS) as a 'Qualification System' under the Procurement Act 2023 where Network Rail may choose to select participants directly from the 'Qualification System' without placing a further 'Find a Tender' service call for competition.

If you want to work directly for us:

1. Register on the UK government **central digital platform**
2. Register on **Bravo**, the procurement portal we use
3. Check if the goods, works, or services you supply are on the **Railway Industry Classification List (RICCL)**
4. If the goods, works, or services you supply are on the Railway Industry Classification List (RICCL), register on the RISQS system to become an audited supplier*
5. Check Bravo and our **procurement pipeline** for opportunities to bid on projects and who to contact
6. Familiarise yourself with the Network Rail standards relevant to the procurement. You can access our standards for free via the **Network Rail standards portal**.

Opportunities with our key delivery partners

Providing goods and services to Network Rail can also be done via our larger direct suppliers (Tier 1) contractors. These are predominantly larger businesses that are able to deliver considerable public sector contracts. Tier 1 firms typically contract out work to other suppliers across sectors such as construction, infrastructure and design, facilities management, resource and training and development. This could be a more appropriate route to working with us, particularly when the value or specifications of the contract exceeds the capacity of your company.

For Control Period 7 we are looking to our strategic partners to deliver key projects, however, support will be needed from a large range of suppliers to support the delivery of these.

Regardless of whether you are looking to work directly with us or within our supply chain, where you are providing goods, service or works that are on the Railway industry Classification List (RICCL), you will need to become an audited supplier.

As part of the CP7 Category A to C Frameworks, it is mandatory for Tier 1 Suppliers in the North West & Central region to ensure full transparency in subcontracting opportunities. This is achieved by publishing any subcontracting opportunity valued at over £50k on the **Competefor platform**. This process is not only a compliance requirement but also a strategic approach to foster inclusivity and fair competition within the SME market.

If you supply goods, services and works under RICCL categories to buyers other than Network Rail, we advise you to check with the relevant buying organisations to find out which supplier assurance system(s) they use, if at all.

Supplier Qualification Requirements

In accordance with clause 6.7.2 of standard NR/L2/SCO/302 – Supplier Qualification Requirements, those organisations approved by Network Rail to undertake the role of Supplier Assurance Provider are as follows:

RSSB RISQS
The Helicon
One South Place
London
EC2M 2RB

Contact: Scheme.Manager@RISQS.org

Achilles Link Up
Achilles Information Ltd
30 Western Avenue
Milton Park
Abington
Oxon
OX14 4SH

Contact: katie.ferrier@achilles.com

Key delivery partners

All regions

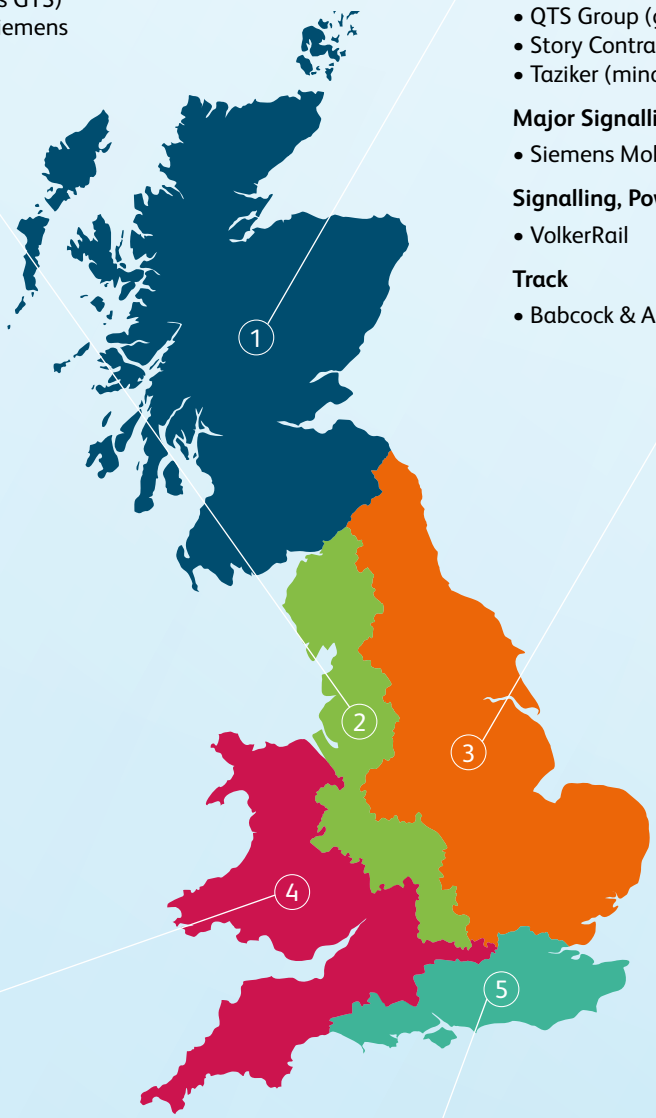
Train Control Systems Framework

Conventional:

• Alstom • AtkinsRéalis • Compagnie des Signaux • Siemens

Digital:

• Alstom • CARDs - AtkinsRealis and CAF joint venture
• Hitachi Rail GTS (formally Thales GTS) and VolkerRail joint venture • Siemens



① Scotland

Buildings & Civils

• AMCO Giffen (major civils)
• QTS Group (geotech)
• Story Contracting (major civils)
• Taziker (minor civils)

Major Signalling

• Siemens Mobility

Signalling, Power & Communications

• VolkerRail

Track

• Babcock & Arcadis

② North West & Central

Buildings & Civils / Electrification & Plant

• AMCO Giffen (cat B medium projects & cat C small projects)
• Amey Rail (cat B medium projects & cat C small projects)
• J Murphy & Sons (cat B medium projects & cat C small projects)
• Kier (cat A major projects)
• Octavius (cat A major projects)
• QTS (cat B medium projects & cat C small projects)
• Skanska (cat A major projects)
• Story Contracting (cat A major projects, cat B medium projects & cat C small projects)
• Taziker (cat B medium projects)

Track

• Balfour Beatty, TSO & AtkinsRéalis

③ Eastern

Buildings & Civils

• AMCO Giffen
• BAM Nuttall
• CK Rail (geotech)
• Morgan Sindall
• Story Contracting
• Taziker (structures)

Electrification & Plant

• Amey (contact systems)
• Aureos
• Aureos (contact systems)
• Lowery
• Morgan Sindall (contact systems)
• Octavius

Signalling, Power & Communications

• Amey Rail
• AtkinsRéalis
• Hawthorne (telecoms)
• Trackwork (signalling minor works)

Track

• Balfour Beatty, TSO & AtkinsRéalis
• Colas & AECOM (Anglia)

④ Wales & Western

Buildings & Civils

• AMCO Giffen (structures Wales)
• BAM Nuttall (geotech Wales)
• Morgan Sindall (structures Western)
• Octavius (buildings and stations regional)
• Vinci (geotech Western)

Electrification & Plant

• AMCO Giffen (regional)

Track

• Colas Rail & AECOM & Network Rail [South Rail Systems Alliance (SRSA)]

⑤ Southern

Buildings & Civils

• VolkerFitzpatrick

Electrification & Plant

• Octavius

Signalling, Power & Communications

• AtkinsRéalis (signalling minor works)

Track

• VolkerRail

Bidding for contracts with us

How long it takes to bid for work with us and the information required will vary depending on the specifics of the requirement. Factors affecting the tender process include:

- **Chosen route to market**
- **Procurement strategy**
- **Contract size and complexity.**

To provide a more efficient way to purchase goods, services, or works, we have a variety of framework agreements in place. These agreements go through a full competitive tender process. We are then able to either direct award or undertake a further mini-competition for those suppliers who won a place on the framework. This provides a faster procurement process than a full tender. Typically, about half of all our awarded contracts are via a framework agreement.

Here are the most commonly used routes to market:

Open Procedure

This is a one-step process where we will advertise a contract opportunity to all suppliers. This can be used to set up a contract, an open framework or a closed framework. Any supplier who can fulfil the contract can apply.

Best for:
Clear and simple needs, new or small markets, and well-known markets.

Minimum timescales:

Procurement Specific Questionnaire (PSQ): Not needed (since it's a one-step process).

Invitation to Tender (ITT): At least 25 days.

Standstill Period: 8 working days.

Competitive Flexible Procedure

This is a multi-step process that can include different stages, allowing flexibility in how the procurement process is designed. This can be used to set up a contract, an open framework or a closed framework.

Examples of extra steps we could include:

Negotiations

Supplier presentations

Product demos

Site visits

Online auctions

Final offers

Best for:
Unclear solutions, complex needs, new or innovative products and services, large markets, formal supplier engagement, and assessing participation conditions.

Minimum Timescales:

Procurement Specific Questionnaire (PSQ): At least 25 days.

Invitation to Tender (ITT): At least 25 days.

Negotiation Period: Depends on complexity.

Standstill Period: 8 working days.

Bidding for contracts with us

Direct Award (Above Threshold)

This is when a contract is given to a supplier without allowing other suppliers to compete.

Best for:
Situations where competition isn't possible.

Minimum Timescales:

Procurement Specific Questionnaire (PSQ): Not needed.

Invitation to Tender (ITT): Not needed.

Standstill Period from: 8 working days.

Note: These are new procedures under the Procurement Act 2023, and as such, average timescales are not known yet, although timescales are expected to be less than previous routes to market.

Bidding for contracts with us

Conditions of Participation

For any above threshold procurements, we have a legal requirement to obtain certain pieces of information from you to proceed with awarding contracts or allowing you to participate.

We must confirm that you have:

– registered on the Central Digital Platform

– submitted the core supplier information including; basic information and economic & financial standing information; exclusions information relating to the supplier and their connected persons.

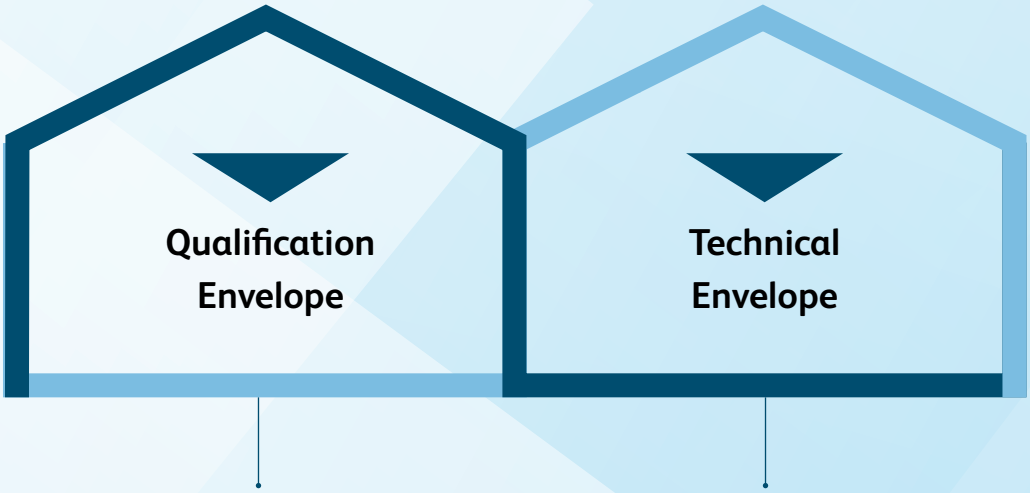
Find a Tender

Before we can issue a procurement specific questionnaire (PSQ), a Contract Notice must be published in the Find a Tender Service and all tender documentation will be attached. If there is a requirement for negotiations as part of the tender process, this will be clearly stated here.

The Contract Notice tells all potential suppliers that a competition is set to take place.

Procurement Specific Questionnaire (PSQ)

Where a PSQ (or Procurement Specific Questionnaire) is being utilised, it will be issued via our procurement portal Bravo. The PSQ is made up of the conditions of participation as well as the any additional technical, legal or financial criteria Network Rail seeks to ask in order to tender for the contract. There are two envelopes which make up the PSQ:



- The Qualification envelope consists of Pass/Fail questions outlining the minimum requirements of a participant.
- It has strong legal foundation, and includes all the mandatory questions required under the Procurement Act 2023.
- This envelope is not weighted, but can result in exclusions which would prevent you from being brought forward to tender stage.

- The Technical envelope is designed to assess the technical capabilities of a participant.
- There are some mandatory questions as part of this envelope.

Additional information gathered by these envelopes may include:

- **Bidding model:**

Whether you are looking to use subcontractors or whether you will be bidding as a consortium.

- **Health, safety and environment:**

A copy of your Health and Safety policy and information around any enforcement/remedial orders in relation to this.

- **Information security:**

Evidence of security maturity/Cyber Essentials or other security certification and GDPR compliance.

- **Insurance coverage:**

Copies of insurance certifications, such as Public Liability, Product Liability, Employers' Liability and Professional Indemnity.

- **Modern Slavery Compliance:**

Confirmation that your organisation has a slavery and human trafficking statement. This is a legislative requirement if your turnover is greater than £36m or you are a sub-contractor which is playing a significant role in delivering key contract requirements. It's good practice for all organisations to have a statement and you can learn more from the **Supply Chain School of Sustainability's Modern Slavery Statements, the Modern Slavery Registry and Policies: Webinar Recording**.

- **Policies:**

Your environment management and safety policies.

- **Relevant previous experience:**

Details for up to three previous contracts to demonstrate technical and professional ability. These should have been completed in the past three years.

- **References from past buyers:**

These should relate to the previous experience examples provided.

- **Sustainability:**

Evidence of organisational social value strategy and any associated policies such as Living Wage Policy, Volunteering Policy and Diversity and Inclusion Policy.

For those procurements which are greater than £5million per annum, there may be a requirement to provide carbon reduction plans and scope 1 - 3 emission data.

Minimum Turnover Thresholds

Procurement regulations state that we may impose requirements ensuring that suppliers possess the necessary economic and financial capacity to perform the contract. With the minimum yearly turnover that suppliers are required to have shall not exceed twice the estimated contract value.

To simplify procurement and encourage a diverse marketplace, our standard approach is not to include minimum turnover checks in our procurements. If due to the risks associated with the procurement in question, we do feel it is necessary to include a minimum turnover, this will be clearly stated in the procurement documents.

Preparing to bid

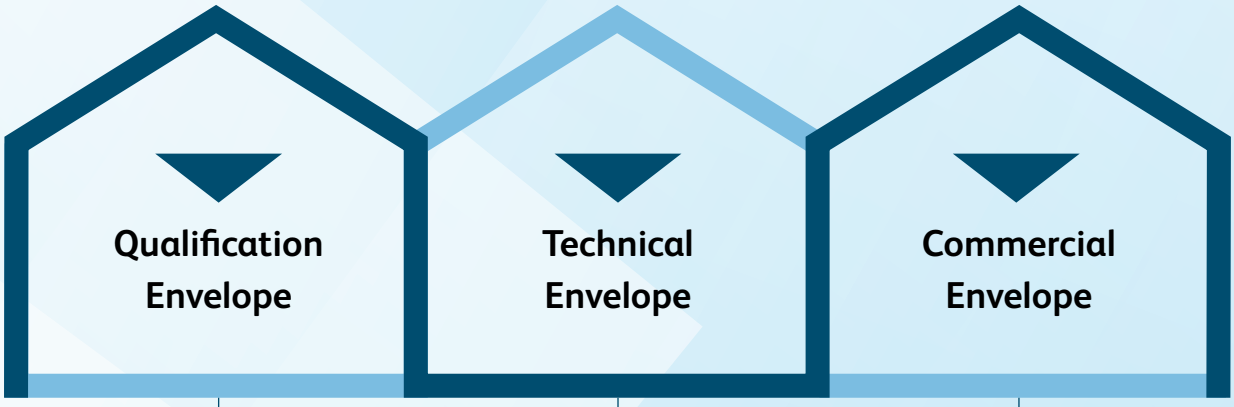
When a PSQ or ITT is published, time becomes a precious commodity, and there may be limited time to work on the submission and gather all relevant information. To help you navigate this process effectively, here are some preparation tips:

- **Stay current with policies:**
Policies change, often yearly. Make sure you have the latest versions, that are up-to-date and signed.

- **Create a document library:**
Organise all required documents in one place and keep them current, paying attention to version control and dates.

Invitation to Tender (ITT)

An ITT lays out all the questions that you will respond to in the tender. A draft of the ITT may be issued alongside the PSQ (where one is required), however it is a 'read only' version which is then shared again when the tender is live. There are three envelopes which make up the ITT:



- The Qualification envelope is where you will upload your:
  - Form of tender
  - Technical compliance/non compliance statement
  - Commercial compliance/non compliance statement
  - Resource declaration
- Usually, this envelope is not weighted or scored but contains only informational questions.

  For an Open Procedure and Above Threshold Call Off's under Framework Agreements the Qualification Envelope will include the Conditions of Participation

- The Technical envelope may include:
  - Understanding of requirements
  - Project/delivery model
  - Team and resources
  - Quality management
  - Social value
  - Environmental
  - Equality and Diversity
- The approach taken will be tailored to the particular needs of the contract.

- The Commercial envelope is designed to assess the commercial offering and could include:
  - The unit rates for products
  - Fees for services and additional costs
  - Pricing mechanisms (e.g. indexation, annual price increases, rebates, payment terms, refunds)
  - Any other commercially relevant responses
- The approach taken will be tailored to the particular needs of the contract.

Making the most of your submission

• Thoroughly review the tender pack:

Review the tender pack thoroughly to understand the timeline, the questions being asked and the assessor's expectations. Remember, only information contained in your submission can be considered and evaluated.

• Take note of character and page limits:

When character and page limits are specified, it's essential to adhere to them. Any content exceeding these limits cannot be evaluated.

• Plan your submission:

You must complete and return the documents by the given time and date and make sure to sign anything that should be signed.

• Social value:

Will always account for at least 10 % of the ITT for procurement above threshold. Understand how your business can make a difference.

• Embrace your SME advantage:

As a small business, you're often more personal and flexible than larger organisations. Make sure to emphasise this unique quality.

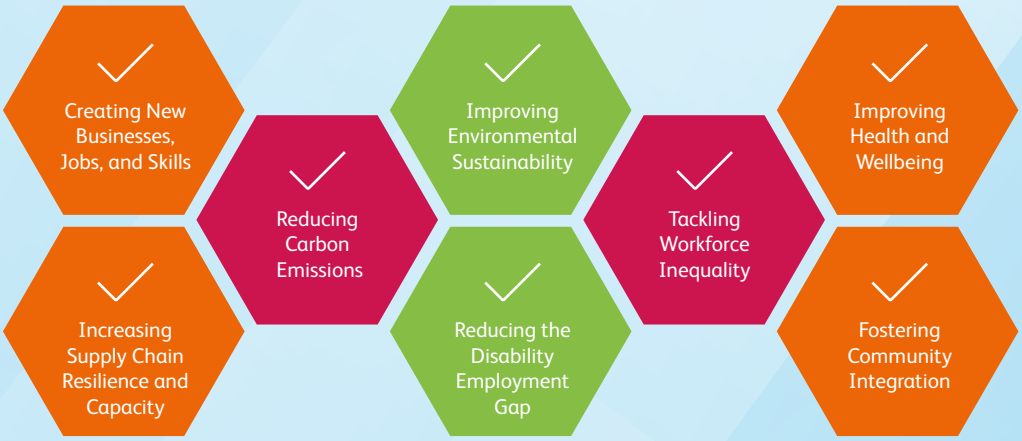
Remember, the tender process is an opportunity to showcase your capabilities. Approach it with confidence, thoroughness, and a touch of creativity.

The government has further detailed **SME bidding guidance** which could also help you develop your submission.

Demonstrating your social value

Social value extends beyond the financial terms of a contract, and looks towards economic, social, and environmental benefits. Anything you can do to improve outcomes or create additional value can be considered social value. It plays an important role in the assessment process, contributing to at least 10 % of the total evaluation score for those procurements above threshold. The assessment criteria for social value may differ, but typically involve a demonstration of concrete commitments, outlining the specific actions a business pledges to undertake.

Demonstrating social value doesn't have a one-size-fits-all approach, as the potential for social contribution varies significantly from company to company and contract to contact. Here are an example of options to explore:



*The Department of Education's Apprenticeship Agencies employ apprentices directly, manage their education and pastoral care whilst loaning them to small businesses, at cost, for the duration of their education. This significantly de-risks apprenticeship issues for SMEs and provides support should you wish to include apprenticeships as part of your medium-term workforce planning. The **NSAR Apprenticeship Agency** is an example of one of these agencies and more information about what support is available can be seen in their **brochure**.

Stages required for each route to market

Process Requirement	Open Procedure	Competitive Flexible Procedure (CFP)	Direct Award (Above Threshold)	Framework Call Off
Conditions of Participation	Mandatory	Mandatory	Mandatory	Project Specific
Procurement Specific Questionnaire (PSQ)	Not required	Mandatory	Not required	Not required
Tender Notice	Mandatory	Mandatory	Not required	Not required
ITT	Mandatory	Mandatory	Project Specific	Mandatory
Negotiations	Not required	Project Specific	Project Specific	Project Specific
Contract Award Notice	Mandatory	Mandatory	Mandatory	Project Specific
Standstill period	Mandatory	Mandatory	Mandatory	Project Specific
Contract Details Notice	Mandatory	Mandatory	Mandatory	Project Specific

Dispelling myths

SMEs often ask us questions that stem from common industry myths, which might be causing some confusion or frustration in your efforts to collaborate with us. Here we dispel some myths.

"My products/services are ideal for Network Rail – how can I be included on the COOM list to offer them?"

COOM is an internal tool we use for billing, in line with our contracts. It's specifically for suppliers who have already been chosen through a competitive process for our main projects, like temporary resourcing, fencing, and managing vegetation.

So, suppliers can't be added to COOM if they don't have a contract with us.

"We have been informed that Network Rail is not allowed to use us (an SME) as we are not on a framework"

Certain goods, services, or works that we purchase benefit from having a framework agreement in place. These agreements can involve one or multiple suppliers and allow us to place individual orders with these suppliers without undergoing a lengthy tender process.

When frameworks are in place, they will be the primary route to market. However, there may be other opportunities outside of these frameworks for a variety of goods, services or works applicable to your organisation. Therefore, we encourage you to regularly check our procurement pipeline and register on Bravo to access these opportunities. This will also give you visibility when the frameworks are due to be renewed.

"We understand that we need to join your SME programme to be successful working with you"

We do not have a specific SME programme that SMEs can join. We are committed to supporting SMEs through our SME Strategy. This strategy outlines various activities aimed at encouraging SME participation in our tender processes and providing support to the SME community.

We recommend registering on Bravo, and keeping an eye on our procurement pipeline for upcoming opportunities. Additionally, our network of SME Champions is available to provide guidance and support throughout the process.

"How do I get on your approved supplier list?"

We do not have an approved supplier list. We have a list of suppliers that we have processed payments for because they have been successful in tendering a contract with us.

Being on this list doesn't guarantee work, and if you're not on the list, it doesn't mean you can't work with us in the future. If you are successful in tendering for a contract with us, we will add you as a supplier so that we can process your payments.

Got a great idea to share with us?

We are eager to assist our supply chain in the development of ideas, products, and solutions that address our challenges.

We have published our **'Challenge Statements'**, which detail specific business obstacles and provide detail on definition, root cause analysis, priority areas of focus and a section outlining guidance for research and development.

If you have an idea or solution that you would like to speak to us, please complete **research and development challenge form** and email it to: **RDI@networkrail.co.uk**.

If your idea or proposal sparks interest, we will invite you in to present to us and could receive funding and support.

Network Rail Standards

We also encourage our suppliers and stakeholders to proactively challenge our standards to increase innovation and to reduce costs. If your proposal directly addresses a Network Rail standard, please complete a **standard change application form**.

If your idea or proposal sparks an interest, you could receive any of the following:

- Potential funding
- Data provisions to help develop your products
- Opportunities to engage and seek input and expertise from our engineers
- Introductions to our test facility Rail Innovation & Development Centres or support in identifying appropriate test locations along the routes as mentioned above
- Support in obtaining external funding opportunities
- Support with any Network Rail processes – in particular product acceptance
- Honest and open commercial conversations
- Knowledge and understanding of our Rail Industry Readiness Levels (RIRLs).

Get in touch

Please reach out to us if you have any queries, questions, or concerns. We welcome your feedback and enquiries and we're committed to addressing them promptly and effectively.

Please email: **suppliercommunications@networkrail.co.uk** or get in touch with one of our **SME Champions**.