



Rail Operations and Maintenance Outsourcing, NSW

The Country Rail Infrastructure Authority (CRIA), previously known as the Rail Infrastructure Corporation (RIC), is responsible for the operation and maintenance of the country rail networks in NSW, known as the Country Regional Network (CRN). The CRN consists of approximately 3,000 km of operational lines, 3,000 km of disused lines and 28,000 hectares of land and associated infrastructure. The maintenance and operation of the CRN was outsourced to the Australian Rail Track Corporation (ARTC) in 2004.

In 2008 the NSW Government directed CRIA to subject the operation and maintenance of the CRN to 'contestability' to ensure value for money and improved services.

FACTS AND FIGURES

Client: Country Rail Infrastructure Authority

Project value: approx \$1.5 billion over 10 years

E&P involvement: 2009 - 2011

Evans & Peck's role

Evans & Peck was appointed in 2009 as the project manager and commercial and probity advisor to CRIA for the management of the contestability project.

This involved working with the CRIA project team in:

- managing a multi-stage procurement process consisting of two stages :
 - Expression of Interest Stage - seven organisations submitted expressions of interest of which three were selected for the next stage
 - Request for Proposal Stage – the three selected organisations submitted proposals which were evaluated to select the preferred proponent
- developing a Project Management Plan and a Probity Plan
- developing Expression of Interest and Request for Proposal documentation including a detailed Scope of Work and Technical Criteria describing the requirements for the operation and maintenance of the CRN
- selecting an appropriate performance based contracting model and developing the associated commercial framework including identifying appropriate key result areas and performance indicators to drive desired behaviours

- working with CRIA's legal advisors, Allens Arthur Robinson, to develop the performance based contract details
- developing detailed evaluation plans for the Expression of Interest and Request for Proposal Stages and managing the evaluations
- developing and managing a negotiation plan for the final negotiations with the preferred proponent.

Results

Evans & Peck assisted CRIA to manage the contestability project and to ultimately select John Holland Rail to take over the operation and maintenance of the CRN.

The process ensured that the NSW Government achieves value for money in the operation and maintenance of the CRN. The contracting model is an innovative 10 year performance based contract that provides incentives for the contractor to increase the quality of service and deliver improved value for money.

Providing certainty in the outsourcing of rail operations and maintenance

