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# Transport groups prepare for battle to run Crossrail services

By Mark Odell, Transport Correspondent



A fierce battle to run the trains on the UK's newest rail line will start this week when at least six bidders are expected to put themselves forward for the contract to operate services on the £14.8bn Crossrail route when it opens later this decade.

Most of the UK-listed transport groups, including [FirstGroup](#) and [National Express](#), are expected to

submit expressions of interest by Tuesday pitting themselves against Hong Kong-listed [MTR](#) and France's RATP, as well as Arriva, a subsidiary of Deutsche Bahn.

[Go-Ahead](#) is expected to team up with Keolis, a subsidiary of SNCF and its traditional partner in the UK rail market, to submit a joint bid, while [Stagecoach](#) could also enter the fray.

The huge interest in running the trains on the first new full-scale railway in the UK in more than a century, is in part because of its high-profile nature – the line will run in tunnel through central London connecting Heathrow and Maidenhead to the west of the capital to Shenfield and Abbey Wood in the east.

But rail executives said the interest was also so high because of the lack of other rail contracts following the overhaul of the UK's rail franchising timetable in the wake of the West Coast fiasco.

The revised schedule will see just three rail franchises let by central government before the end of 2015. Before the scandal that led to the cancellation last year of the award of a new contract to run the West Coast mainline, the rail industry had expected to bid for 12 contracts over the next three years.

“All the operators have assembled very expensive bid teams so when the other opportunities disappeared, Crossrail was always going to generate a lot of interest,” said one senior rail executive.

The strong interest is good news for Transport for London, the capital's transport authority, which is tendering the Crossrail contract, whose initial length is eight years with the option to extend by a further two years.

Howard Smith, TfL's Crossrail boss, welcomed the level of interest: "Crossrail is an essential part of the country's economic infrastructure, generating thousands of jobs and growth across the UK. It is encouraging to see keen competition for the job of operating Crossrail for us."

Unlike the traditional rail franchises, which sees the operator take most of the revenue risk in return for a greater share of the profits, TfL is letting Crossrail on a fixed-fee management contract with no risk.

That means any margin is likely to come in below the industry average of between 3 and 5 per cent.

TfL is expected to produce a shortlist of three to five bidders by the end of June and issue tender documents in September, with final bids due in by mid-January 2014. The winner is expected to be announced in September 2014.

Crossrail is still under construction and the new central section in tunnel is not due to open until 2018. The winning operator will however take over existing services between London Liverpool Street and Shenfield in Essex from mid-2015. This line will then be linked into the central tunnel section once it opens three years later.

The 118km (73 miles) rail link will run through new large twin tunnels under the capital and involves building nine new stations along the route.

TfL has a separate £1bn tender out for 600 carriages to form up the 60 trains to run on the route. Each 200m-long train will have capacity for 1,500 passengers. At peak times TfL plans to run up to 24 services per hour in the central part of the link.

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