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## **RFF completes negotiation for Tours Bordeaux PPP concession**

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Railway Gazette reported that infrastructure manager Réseau Ferré de France confirmed on July 15th 2010 that it had completed negotiations with the Vinci led LISEA consortium over the PPP concession to build LGV Sud Europe Atlantique between Tours and Bordeaux, which it describes as the largest railway project in Europe, with a total cost of EUR 7.8 billion at current prices.

Having previously shortlisted three consortia led by Vinci, Bouygues and Eiffage for a second round of bidding, RFF announced on March 30th 2010 that LISEA had been selected as preferred bidder to continue exclusive negotiations. As well as Vinci, the consortium includes Caisse des Dépôts and AXA. RFF reports that the negotiations have now been completed, and the two parties are drawing up the formal contract documentation for signature in the autumn.

This allows the concessionaires to begin work in the field later this month, opening discussions with local authorities over access to the alignment and confirming the details of the project documentation, including design of the major structures, ahead of contract signature. The financing arrangements are to be concluded early next year, and RFF expects construction work to get underway by the end of 2011.

Under the terms of the concession, the private partners will provide the technical expertise and resources to build the line, taking responsibility for performance, the construction schedule and managing the construction risk. RFF is co coordinating the public financing element, and says that a team led by Claude Liebermann is making positive progress putting together a package of contributions from local and national authorities. The public financing arrangements are to be confirmed this autumn in parallel with the signing of the concession agreement.

LGV Sud Europe Atlantique is one of the major projects in the government's Grenelle de l'Environnement, which envisages the construction of 2,000 kilometers of new line by 2020. It covers 340 route kilometers in total, of which 302 kilometers will be high speed line. Connections to the existing network will allow trains to serve the stations at Tours, Châtelleraut, Poitiers, Angoulême and Bordeaux. Completion of the line by 2016 is expected to cut journey times by up to an hour, bringing the fastest Paris Bordeaux timing down to 2 hours 5 minutes.

RFF said that the project will generate up to 60,000 years of work, with 4,500 people employed on civil engineering and a further 2,000 on supply and installation of the railway systems. As part of the government's commitment to sustainable development, the concessionaires have reserved 10% of the work for unemployed people and apprentices.

(Sourced from [www.railwaygazette.com](http://www.railwaygazette.com))

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