

Finance Committee

Chair's Action



Date Issued: 1 June 2023

Item: **Mechanical and Electrical Maintenance Services Contract Extension**

This paper will be published once the decision has been made.

1. Summary

- 1.1 The purpose of this paper is to seek approval for additional Procurement Authority for the award of a contract extension for the provision of mechanical and electrical maintenance services across the London Underground (LU) estate.
- 1.2 This paper seeks authority through Chair's Action as a decision is required before the next scheduled meeting of the Committee on 21 June 2023, due to the contract expiring on 24 June 2023 and to allow time for the signing and sealing of the Deed of Variation.
- 1.3 The appendix to this paper contains supplementary information that is exempt from publication by virtue of paragraph 3 of Schedule 12A of the Local Government Act 1972, in that it contains information relating to the business affairs of TfL.
- 1.4 The Members of the Committee are asked to consider the proposal and provide Anne McMeel, as Chair of the Committee, with their views on or before 12noon on Tuesday 6 June 2023. The contents of this paper and the exercise of Chair's Action will be reported to the next meeting of the Committee.

2. Recommendations

- 2.1 **The Chair of the Committee, in consultation with available Members, is asked to note the paper and the exempt appendix and grant additional Procurement Authority, in the sum set out in the exempt appendix, for the extension of a contract for the supply of mechanical and electrical maintenance services across the TfL estate.**

3. Background

- 3.1. TfL have a contract for the provision of mechanical and electrical services across LU including stations, depots and substations (the Contract). The mechanical and electrical maintenance services comprise:
 - (a) planned and reactive maintenance of mechanical systems (e.g. heating and air conditioning) and assets (e.g. tunnel ventilation, smoke pressurisations fans etc.);
 - (b) planned and reactive maintenance of electrical systems (e.g. lighting systems, low voltage electrics etc.) and assets (e.g. uninterrupted power supplies); and

- (c) remedial works and asset replacement arising from maintenance services.
- 3.2. The supplier is Equans Services Limited (formally Engie Services Limited) and the Contract was awarded following full competition in 2017 for an initial period of five years to 24 June 2022, with an option for TfL to extend for up to 36 months (the Contract).
 - 3.3. The contractual option to extend was exercised on 25 June 2022 for a period of 12 months to 24 June 2023 with Procurement Authority approved by the Committee via a Chair's Action on 18 May 2022.
 - 3.4. This extension period facilitated development of the mechanical and electrical services scope for the retender of this Contract and significant value enhancement in the form of asset data gathering, process efficiency improvement and rationalisation of the maintenance schedule.
 - 3.5. This development process took longer than anticipated to complete and consequently the replacement tender process has been delayed (though has commenced). A further extension of the Contract by ten months is therefore required to 31 March 2024 to allow for successful completion of the replacement tender process. The tender programme has been revised to allow for delays relating specifically to:
 - (a) the provision of technical specification information which was required to complete the tender documentation; and
 - (b) the development of an integrated asset, performance management and payment system which will facilitate real time asset and maintenance task recording.
 - 3.6. The total cumulative Procurement Authority sought for the extended Contract is within the values specified in the procurement process under which the Contract was originally let.
 - 3.7. This request relates to business-as-usual protection of safety critical assets. These works preserve the day-to-day safety of our services. Mechanical and electrical maintenance services are essential in ensuring we protect both TfL assets and TfL people and customers ensuring safety standards.

List of appendices to this report:

An appendix that contains supplementary information that is exempt from publication.

List of Background Papers:

13 March 2017 Finance Committee paper - One Facilities Management Services Procurement: Approval of Award of Contracts

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Contact Officer: Patrick Doig, Chief Finance Officer
Email: Patrick.Doig@tfl.gov.uk