

Date: 23 November 2022

Item: Surface Technology Contracts Retender

This paper will be considered in public

1 Summary

- 1.1 The purpose of this paper is to brief the Committee on the procurement process for the Surface Technology Contracts Retender (STCR) for the supply, install, maintenance and disposal of Automated Traffic Signals (ATS), Variable Message Signs (VMS), Overheight Vehicle Detectors (OVD) and CCTV.
- 1.2 It is anticipated that approval of Procurement Authority to enter into the contracts will be required before the next meeting of the Committee and will therefore be sought under Chair's Action.

2 Recommendation

- 2.1 **The Committee is asked to note the paper.**

3 Background

- 3.1 There are over 6,400 ATS sites across London, split roughly 50/50 between junctions and signalled crossings. 2,200 sites are on the Transport for London Road Network and 4,200 are on London borough roads. There are 150 VMS and 61 OVD sites within the scope of this contract.
- 3.2 Where maintenance activity takes place on London borough roads under a TfL contract, sums are recovered from the London boroughs to ensure it is cost neutral for TfL.
- 3.3 The supply, installation, maintenance and disposal of ATS, VMS and OVD is currently delivered by three contractors under TCMS2: Cubic Surface Transportation Systems Limited, Siemens Mobility Limited and Telent Technology Services Limited.
- 3.4 TCMS2 is geographically split into five areas. Siemens Mobility Limited and Telent Technology Services Limited both deliver services in two regions respectively. Cubic Surface Transportation Systems Limited delivers services in one region.
- 3.5 Under the CCTV Outstation contract, there are 813 CCTV sites across London. The CCTV requirement includes all CCTV assets not installed on/in a fixed asset such as bus stations, London Underground or tram stations. Footage is fed into the Network Management Control Centre and to third parties such as the Metropolitan Police Service and media outlets such as the BBC.

3.6 The supply, installation, maintenance and disposal of CCTV equipment is delivered pan-London by Telent Technology Services Limited under the CCTV Outstation contract.

3.7 The three TCMS2 contracts and CCTV Outstation contract all expire 31 July 2023.

3.8 TfL has powers and statutory obligations under the Greater London Authority Act 1999 to act as the Traffic Authority for all traffic control systems in London and is the accountable maintainer and operator of all such systems within Greater London.

4 Procurement Strategy

4.1 Following extensive analysis, it was determined that a change to the geographical split for the delivery of services covering ATS, VMS and OVD could deliver increased value for money. STCR has therefore moved from five geographic areas to three geographic areas. The STCR areas are: North, Central and South London.

4.2 Analysis also demonstrated that if a bidder were to win two of the geographic areas, it could generate even greater economies of scale. It was therefore decided that one supplier may win two geographic areas if an improved value for money proposal is offered. Legal advice dictated that these two-area regions constitute individual lots in the packaging strategy.

4.3 STCR will also award a framework agreement which mirrors the three geographic areas detailed above. The framework agreement will provide resilience to TfL should a main contractor deliver poor performance or suffer financial distress. The framework will also act as a mechanism to compete high value capital works to drive additional value.

4.4 Under STCR, CCTV services will be delivered under one contract as per the incumbent contract.

4.5 The packaging strategy for STCR is set out in Table 1:

Asset	Area	Lot Name	Awarded Suppliers
ATS, VMS & OVD	Geographical Lots	Lot 1: North	Max: 3 suppliers across 3 lots. Note: 2 suppliers across 3 lots if conditions met.
		Lot 2 Central	
		Lot 3: South	
	Combined Lots	Lot 4: North & Central	
		Lot 5: North & South	
		Lot 6: South & Central	
	Framework by Geographical Area	Lot 7a: North	Min: 1 framework supplier per sub-lot.
Lot 7b: Central		Max: 3 framework supplier per sub-lot.	
Lot 7c: South			
CCTV	Pan-London	Lot 8: CCTV Outstation	1 supplier

Table 1: STCR Packaging Strategy

- 4.6 Should a combined lot (Lot 4, 5 or 6) be awarded, then the component individual lots (Lots 1, 2 or 3) will be abandoned.
- 4.7 A lessons learnt exercise on the current contracts determined that contractors would need a six-month mobilisation period between contract execution and service commencement to ensure disruption is minimised when transitioning between contracts.
- 4.8 The STCR contract term for Lots 1 to 8 is for an initial term of eight years with options to extend for up to two additional years, with the exception of the Lot 7 Framework where the contract term will be a maximum of eight years.
- 4.9 STCR has an operational expenditure commitment in the maintenance regime, and a mechanism to place capital works orders with no minimum spend commitments. Further detail about the financial implications will be provided when seeking Procurement Authority.
- 4.10 The contracts will also enable third parties such as London boroughs and developers to carry out capital works, at their own expense, by utilising the contracts.
- 4.11 Approval of Programme and Project Authority for the STCR contracts for the Financial Year 2023/24 was approved at the meeting of the Committee in May 2022, with the request for 2024/25 due to be made in May 2023. Both of which are included in the Revised Budget.

5 Assurance

- 5.1 An Integrated Assurance Review (IAR) was carried out on the procurement in July 2021 and all recommendations were addressed.
- 5.2 A further IAR will take place before Procurement Authority is sought.

6 Timescales for Approval

- 6.1 It is anticipated the procurement process will be concluded during December 2022.
- 6.2 As the next scheduled meeting of the Committee is in March 2023, it is proposed that a Chair's Action request will be submitted to Committee in December 2022 summarising the outcome of the process and requesting approval of Procurement Authority.

List of appendices to this report:

None

List of background papers:

None

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