

**Date:** 21 June 2023

**Item:** Forthcoming Key Procurement Activities

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## **This paper will be considered in public**

### **1 Summary**

- 1.1 This paper sets out a summary of the major new procurements or contract extensions over the next 12 months and those that will be required from the Committee by way of Chair's Action between this meeting and the next one in October 2023. It also highlights significant forthcoming procurements that require approval at officer level during that period.
- 1.2 A paper is included on Part 2 of the agenda which contains exempt supplementary information. The information is exempt by virtue of paragraph 3 of Schedule 12A of the Local Government Act 1972 in that it contains information relating to the financial and business affairs of TfL. Any discussion of that exempt information must take place after the press and public have been excluded from the meeting.

### **2 Recommendation**

- 2.1 **The Committee is asked to note the paper and the exempt supplementary information on Part 2 of the agenda.**

### **3 Background**

- 3.1 There is a recognised need to provide this Committee and other decision makers in TfL with a forward look on the pipeline of major procurements requiring decisions.
- 3.2 The Procurement and Commercial (P&C) function within TfL has worked to improve its forward planning, for example by consolidated multiple sources of data regarding the plans for contract renewals and new procurements. This has enabled P&C to establish a pipeline of activities over the next 12 months.
- 3.3 P&C's ability to plan the necessary governance and approval timescales, in conjunction with meetings of relevant committees where appropriate, is, and will continue to improve. This will not entirely remove the possible need for out of cycle approvals which require Chair's Action, either because of the conclusion of a procurement which falls naturally in timing between meetings, or because of an urgent requirement.

3.4 This paper sets out the approvals anticipated to be required from the Committee by way of Chair’s Action between this meeting and the next one in October 2023 and highlights significant forthcoming procurements that require approval at officer level during that period.

## 4 One year look ahead

4.1 At the meeting of the Committee in March 2023, we were asked to provide a year look ahead on the procurement activities to this meeting, and to provide a two year look ahead at the October 2023 meeting of the Committee.

4.2 The one year look ahead is summarised below. The pipeline for strategy approvals and contract awards due between June 2023 to May 2024 covers 165 contracts with an estimated total value of £6.0bn and an equivalent annual spend of £1.43bn. This is broken down as follows:

<b>P&amp;C Division</b>	<b>Team</b>	<b>No</b>	<b>Estimated Contract Spend</b>	<b>Equivalent Annual Spend</b>
Capital and Technology	Capital Infrastructure	27	£731m	£226m
	Capital Systems	23	£380m	£220m
	Technology	19	£1.29bn	£158m
Operations and Professional Services	Fleet	30	£178m	£57m
	FM	17	£2.63bn	£542m
	Indirects	4	£31m	£16m
	Infrastructure	20	£398m	£59m
	Rail and Sponsored Services	13	£222m	£75m
	Track	12	£179m	£77m
<b>Grand Total</b>		<b>165</b>	<b>£6.04bn</b>	<b>£1.43bn</b>

## 5 Planned procurement activity ahead of the next meeting

5.1 There are two business units within the P&C function, and the key forthcoming procurement activities for both of them are summarised below. Further details of these procurement activities are provided within the related paper on Part 2 of the agenda, which contains exempt supplementary information.

## 5.2 In Operations and Professional Services:

- (a) we are currently forecasting that one contract award and once contract extension will require Committee approval by Chair's Action between now and the next meeting; and
- (b) we are currently forecasting four other significant procurements across Operations and Professional Services that require approval at officer level during this period.

## 5.3 In Capital and Technology:

- (a) the majority of decisions for contracts related to capital expenditure are routed through the Programmes and Investment Committee rather than to this Committee;
- (b) we are currently forecasting one contract extension which will require Committee approval by Chair's Action between now and the next meeting; and
- (c) we are currently forecasting eight other significant procurements across Capital and Technology that require approval at officer level during this period.

# 6 Improving Visibility of the Procurement Pipeline

## 6.1 To date, the following steps have been taken by P&C to provide greater visibility on the pipeline of procurement activity:

- (a) an initiative the quality of data captured in the Ariba Source to Contract system with guidance and processes flow provided by our P&C Central Enabling team;
- (b) obtaining visibility of the Central Project List (held by the Programme Management Office) to ensure P&C's view of the pipeline is aligned with data held elsewhere in TfL. This is work is necessary to enable P&C to take a two year forward look of the pipeline; and
- (c) improved and effective reporting to stakeholders on the procurement pipeline through automated PowerBI dashboards allowing P&C to access and report real time data on the pipeline.

## 6.2 In addition to the work already underway to improve visibility of the procurement pipeline, P&C are also looking at how we can better inform the supply market of forthcoming procurement opportunities e.g. through improving the quality of the data we publish about our contract opportunities on the TfL website and issuing Prior Information Notices.

**List of appendices to this report:**

Exempt supplementary information is included in the paper on Part 2 of the agenda.

**List of background papers:**

None

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