

Date: 6 December 2023

Item: Forthcoming Key Procurement Activities

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 planned over the next 24 months and decisions that are anticipated to be required from the Committee by way of Chair's Action between this meeting and the next planned meeting in March 2024. It also highlights significant forthcoming procurements that require approval at officer level during that period. A similar paper is submitted to the Finance Committee on matters within its remit.
- 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 consolidating 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 24 months.
- 3.3 While TfL has a current funding agreement with the Government until the end of March 2024, there is a pressing need for the Government to confirm the £500m that TfL needs in 2024/25 to support the delivery of critical in-flight projects. The Government has consistently recognised in the funding settlements that TfL is not expected to fund major capital projects from its operating incomes. This is consistent with other transport authorities.

- 3.4 Failure to confirm this funding well in advance of March 2024 would force TfL to have to reprioritise its Business Plan, undoing the progress made under the current funding agreement and mean TfL would again need to start making difficult choices relating to asset renewals and delaying non-committed investment. While no agreement has been reached yet, we are having productive conversations with DfT Ministers and officials to make the case set out above.
- 3.5 P&C's ability to plan the necessary governance and approval timescales, in conjunction with meetings of relevant committees, where appropriate, is improving and will continue to improve. This will not entirely remove the possible need for out of cycle approvals that 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.
- 3.6 This paper sets out the approvals anticipated to be required from the Committee over the next six months and highlights significant forthcoming procurements that require approval at officer level during that period.

4 Two year look ahead

- 4.1 A two year look ahead is summarised below, including only those projects with an estimated value of £1m or over. The pipeline covers 247 contracts with an estimated total value of £14.7bn, and equivalent annual spend of £2.7bn. This is broken down as follows:

P&C Division	Team	No	Estimated Contract Spend	Equivalent Annual Spend
Capital and Technology	Capital Infrastructure (including Highways)	21	£1,740m	£267m
	Capital Systems	9	£147m	£34m
	Technology	32	£1,838m	£289m
Operations and Professional Services	Fleet	49	£292m	£98m
	Facilities Management	17	£2,900m	£615m
	Indirects (support goods and services)	23	£3,874m	£738m
	Infrastructure	49	£1,706m	£262m
	Rail and Sponsored Services	25	£732m	£144m
	Track	22	£1,504m	£220m
Total		247	£14,733m	£2,667m

5 Planned procurement activity in the next six months

- 5.1 There are two business units within the P&C function, and the key forthcoming procurement activities for both are summarised below. Further details of these procurement activities are provided within the related paper on Part 2 of the agenda.
- 5.2 In Operations and Professional Services, most authority decisions are within the remit of the Finance Committee, rather than this Committee. There are currently no contracts forecast to need approval from this Committee between now and the next planned meeting.
- 5.3 In Capital and Technology, we are currently forecasting that Procurement Authority for one contract may require Committee approval by Chair's Action in the next six months.

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 to improve 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. Further work in this area will be necessary to enable P&C to expand the forward look of the pipeline beyond two years; and
 - (c) the Pipeline and Planning team within P&C is now at full complement: bringing all activities on pipeline visibility, savings tracking, data quality and resource planning under one central function.
- 6.2 P&C's work on improving the visibility of the procurement pipeline will enable TfL to be prepared to meet a requirement in the Procurement Act 2023 for all contracting authorities to publish a pipeline notice within 56 days of the start of each financial year. The pipeline notice will need to set out details of all procurements over £2m in value due to take place within that year. The Act received Royal Assent on 26 October 2023; the date on which it comes into force is not yet settled but is widely expected to be from October 2024.
- 6.3 A paper will on the Act and how TfL will comply with it and related regulations will be submitted to the next meeting of the Finance Committee, in March 2024, and shared with members of this Committee.

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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