

**Date:** 28 February 2024

**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 planned over the next two years and those that will be required from the Committee by way of Chair's Action over the next six months. 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 and those 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 two years.
- 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 to be sought by way of 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 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 The two year look ahead is summarised below, including only those projects with an estimated value of £1m or over. The pipeline for strategy approvals and contract awards covers 224 contracts with an estimated total value of £27bn, and equivalent annual spend of £2.9bn, when prorated by the length of the contracts. This is broken down as follows:

<b>P&amp;C Division / Team</b>	<b>No</b>	<b>Estimated Value (£m)</b>	<b>Equivalent Annual Value (£m)</b>
<b>CAP</b>	<b>74</b>	<b>4,727</b>	<b>633</b>
Capital Infrastructure	15	2,502	238
Capital Systems	16	270	68
Technology	43	1,955	327
<b>OP</b>	<b>150</b>	<b>22,290</b>	<b>2,248</b>
Fleet	33	171	59
FM	9	1,255	195
Indirects (support goods and services)	18	16,508	1,340
Infrastructure	43	1,781	235
Rail and Sponsored Services	20	999	192
Track	27	1,576	228
<b>Total</b>	<b>224</b>	<b>27,018</b>	<b>2,881</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 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 decisions for contracts related to operational expenditure are routed through the Finance Committee rather than to this Committee although all Members will receive the paper.
- 5.3 In Capital and Technology, we are currently forecasting that one contract award will require Committee approval by Chair's Action in the next six months.

## 6 Improving Visibility of the Procurement Pipeline

- 6.1 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. We have received feedback to improve visibility of the pipeline as management information to better support commercial decisions. These include:
- (a) highlighting potential opportunities to consolidate contracts between modes or across the value chain to drive further efficiencies;
  - (b) visibility of contracts due to expire to support planning; and

(c) including reference to the funding certainty of projects, particularly for capital projects, to support decision making.

6.2 The pipeline and planning team is currently assessing the feasibility of including the additional information listed above in the pipeline and we intend to update the Committee at a future meeting with the production of a twice-yearly pipeline report and detailed management information.

**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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