

Date: 13 March 2024

Item: Track Labour Framework Extension

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## This paper will be considered in public

### 1 Summary

- 1.1 The purpose of this paper is to update the Committee on the Track Labour Framework (the Framework) since the paper presented to the Committee in June 2023 and, as noted in that paper, seek additional Procurement Authority for the financial year 2024/25.
- 1.2 A paper is included on Part 2 of the agenda, which contains 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 business affairs of TfL. Any discussion of that exempt information must take place after the press and public have been excluded from this meeting.

### 2 Recommendation

- 2.1 **The Committee is asked to note the paper and the exempt supplementary information and approve Procurement Authority for £112.4m for external track labour resources procured through the London Underground Track Labour Framework for the period to March 2025, giving a total Procurement Authority of £701.15m.**

### 3 Background

- 3.1 London Underground's (LU) Track division has a continuing requirement to supplement its direct labour organisation with external, skilled labour, which is deployed across the network to support safety critical maintenance, enhancements, and renewals of track assets across the network.
- 3.2 The supply of labour is contracted on a pan-TfL basis to enable other areas of the business the option to utilise resource from the Framework.
- 3.3 The original Framework was let following a competitive tender process and awarded to five suppliers being: Morson Human Resources Limited; Cleshar Contract Services Limited; 1<sup>st</sup> in rail Limited; Trackwork Limited and McGinley Support Services (Infrastructure) Limited.
- 3.4 Authority was granted by the Committee, in June 2023, to extend the Framework to March 2025 as part of the transition to a new approach to the market for this service. It is highly likely that a further extension in time and value will be sought from the Committee later in 2024/25 as the transition arrangements become

further progressed, depending on the outcome of the reprocurement and required mobilisation timescales. A further update will be provided at the next meeting.

- 3.5 This paper therefore covers the Procurement Authority required for the period to March 2025 only. Further detail is provided in the paper on Part 2 of the agenda.

#### **4 Negotiation Summary and Financial Implications**

- 4.1 The previously approved Procurement Authority is £588.75m. This request, covering the period to March 2025, is for a further £112.4m, giving a total Procurement Authority of £701.15m.
- 4.2 This is in line with the TfL Budget for 2024/25 being considered separately on the agenda for this meeting.
- 4.3 Commercial negotiation has taken place with each supplier under the framework to agree fixed 12-month rates giving the greatest opportunity to deliver value for money and mitigate future cost pressures.

#### **List of appendices to this report:**

A paper containing exempt supplementary information is included on Part 2 of the agenda.

#### **List of background papers:**

Track Labour Framework Extension paper, Finance Committee, 21 June 2023

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