

Date: 26 February 2025

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 two years and those for which approvals are anticipated to be required from the Committee over the six-month period from 1 March 2025 to 31 August 2025 above £100m. 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 supplementary information that is exempt from publication by virtue of paragraph 3 of Schedule 12A of the Local Government Act 1972 in that it contains information relating to the financial or 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 function within TfL continues working to improve its forward planning, including the consolidation of multiple data sources related to contract renewals and new procurements. This ongoing effort is enabling us to establish a pipeline of activities for the next two years.
- 3.3 Our 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 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, covering those contracts with an estimated value of £1m or over. The pipeline for strategy approvals and contract awards covers 330 contracts with an estimated total value of £22bn. This is broken down as follows:

Commodity	No	Estimated Value £m
Construction	55	5,367
Corporate Services	21	3,326
Outsourced Transport Services	10	2,111
IT Services	20	1,787
Utilities	4	1,592
Facilities Management	15	1,522
IT Infrastructure	27	988
Lifts and Escalators	13	868
Rolling Stock	5	867
Road User Services	2	902
Rail Systems	7	762
Fleet	60	510
Power & Cooling	12	492
IT Software	33	453
Track	16	243
Signalling Installations	2	116
Signalling Maintenance	10	115
Rail Collaboration	9	113
Commercial Development	5	63
Buses	2	31
Streets and Traffic	1	2
Warehousing	1	1
Total	330	22,231

- 4.2 The table below displays the breakdown of the 330 contracts by value band. It also includes the 469 contracts with a value below £1m to provide a complete view of the pipeline of 799 contracts over the next two years.

Value Band £m	No of Entries	% of Entries	Estimated Value £m	% Estimated Value
Below 1	469	59%	133	1%
1 up to 25	232	29%	1,174	5%
25 up to 100	56	7%	2,054	12%
100m+	42	5%	19,004	82%
Total	799	100%	22,365	100%

5 Planned Procurement Approvals

- 5.1 There are two approvals anticipated to be sought by way of Chair's Action ahead of the next planned meeting of the Committee in July 2025.
- 5.2 We are currently forecasting that four operational contract awards will require approval from the Committee at meetings in the next six months.
- 5.3 Most decisions for contracts related to capital expenditure are routed through the Programmes and Investment Committee rather than to this Committee, although all Members will receive the paper. We are currently forecasting that no contract awards will require approval from the Programmes and Investment Committee in the next six months.
- 5.4 Further details of the forthcoming key procurement activities within the next six months are provided within the related paper on Part 2 of the agenda.

6 Procurement Act 2023

- 6.1 As introduced in the paper to the Committee in July 2024, we are preparing for the introduction of the new Procurement Act 2023 (the Act) which was delayed from 26 October 2024 to 24 February 2025. Since the update, implementation activities have continued, including working closely with SAP Ariba to implement systems process changes, updating governance templates, and developing additional documents to guide our colleagues, and developing a supplier performance strategy to consider our approach to adopting the Act's requirements on publishing contract key performance indicators on supplier performance.
- 6.2 Readiness activities have focused on procurement activity which will need to be compliant from 24 February 2025, whereas contract management activities in relation to the Act will not be required until the first contract is awarded. A key area of focus has been the upskilling of Procurement and Commercial teams and building awareness in the wider business, to ensure TfL benefits from the opportunities the new legislation presents.
- 6.3 As part of the enhanced transparency obligations under the Act, we are required to publish an annual pipeline notice of projects over £2m to the market by 26 May 2025. Further information is expected from the Cabinet Office in April, and the Committee will be kept updated.

List of appendices to this report:

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

List of background papers:

None

Contact Officer: Rachel McLean, Chief Finance Officer
Email: RachelMcLean@tfl.gov.uk