

Board

Date: 15 December 2016

Item: One Facilities Management Services Procurement

This paper will be considered in public

1 Executive Summary

Decision required	The Board is asked to delegate approval of the award of the One Facilities Management contracts to the Finance Committee. In addition the Board is asked to delegate to the Finance Committee approval for the extension of two existing facilities management contracts.
Previous Consideration	None.
Sponsoring Director	Contact officer: Ian Nunn, Chief Finance Officer Number: 020 3054 8941 Email: IanNunn@tfl.gov.uk
Information classification	Public.
Summary	
<p>1.1 The Board is asked to delegate approval to the Finance Committee for the award of six separate contracts for the provision of facilities management (FM) services to the TfL Group.</p> <p>1.2 Award of the new FM contracts is scheduled for March/April 2017, with service commencement on 25 June 2017.</p> <p>1.3 The Board is additionally asked to delegate approval to the Finance Committee for the extension of duration of the two existing facilities management contracts (TPS1A (technical services) TPS 2A (cleaning and security)) for a short period until the new services commence in June.</p>	

2 Recommendation

- 2.1 The Board is asked to note the paper and delegate Procurement Authority to the Finance Committee to approve:**
- (a) entering into six agreements with the successful bidders upon completion of the One FM procurement process; and**
 - (b) the extension of the two existing facilities management contracts: (TPS1A (technical services) and TPS 2A (cleaning and security)) until the new FM services commence.**

3 Background

- 3.1 In 2013, TfL identified that significant benefits could be achieved from a more coordinated and consolidated approach to FM services procurement and contract management through:
- (a) volume discounts from larger more efficiently managed contracts;
 - (b) smarter and more consistent, output based service specifications and performance measurement; and
 - (c) more flexible, collaborative and transparent target cost contract management.
- 3.2 As a result in August 2015 TfL commenced a pan procurement for FM services which aligns the structures and service provisions of the FM industry and supply chain with the aim of maximising the opportunities across all of TfL. Bids are currently being evaluated and award of the new One FM contracts is scheduled for March/April 2017, with services starting from 25 June 2017.
- 3.3 In the meantime, two existing facilities management contracts (TPS1A (technical services) and TPS 2A (cleaning and security)) need to be extended for a short period pending the new services commencing in June 2017.
- 3.4 The estimated value of the new FM contracts is £750m and as such requires approval of the Board. The proposed extensions to the current contracts also require Board approval because the original contracts were in excess of £100m.
- 3.5 It is proposed that authority to award the new FM contract and approve the extensions pending the new services commencing is delegated to the Finance Committee to enable it to review in detail the financial position and anticipated savings to be delivered under the new arrangements to ensure they represent value for money.

List of appendices to this report:

None

List of Background Papers:

March 2014 Board paper on contract extension