

# Procurement

## TfL Procurement and Mobile Telecommunications Case Study

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# Transport for London

- TfL is the integrated body responsible for the capital's transport system
- Operates across road, river and rail
- FY07/08 Expenditure was £4.2bn
- Directly employs over 22,000 people



# Top Spend Categories

- Civil Construction & Maintenance (ie resurfacing, bridge building)
- IT/ IM
- National Rail Agreements
- Surface Infrastructure
- Congestion Charge Services
- Utilities
- Traffic Technology & Systems



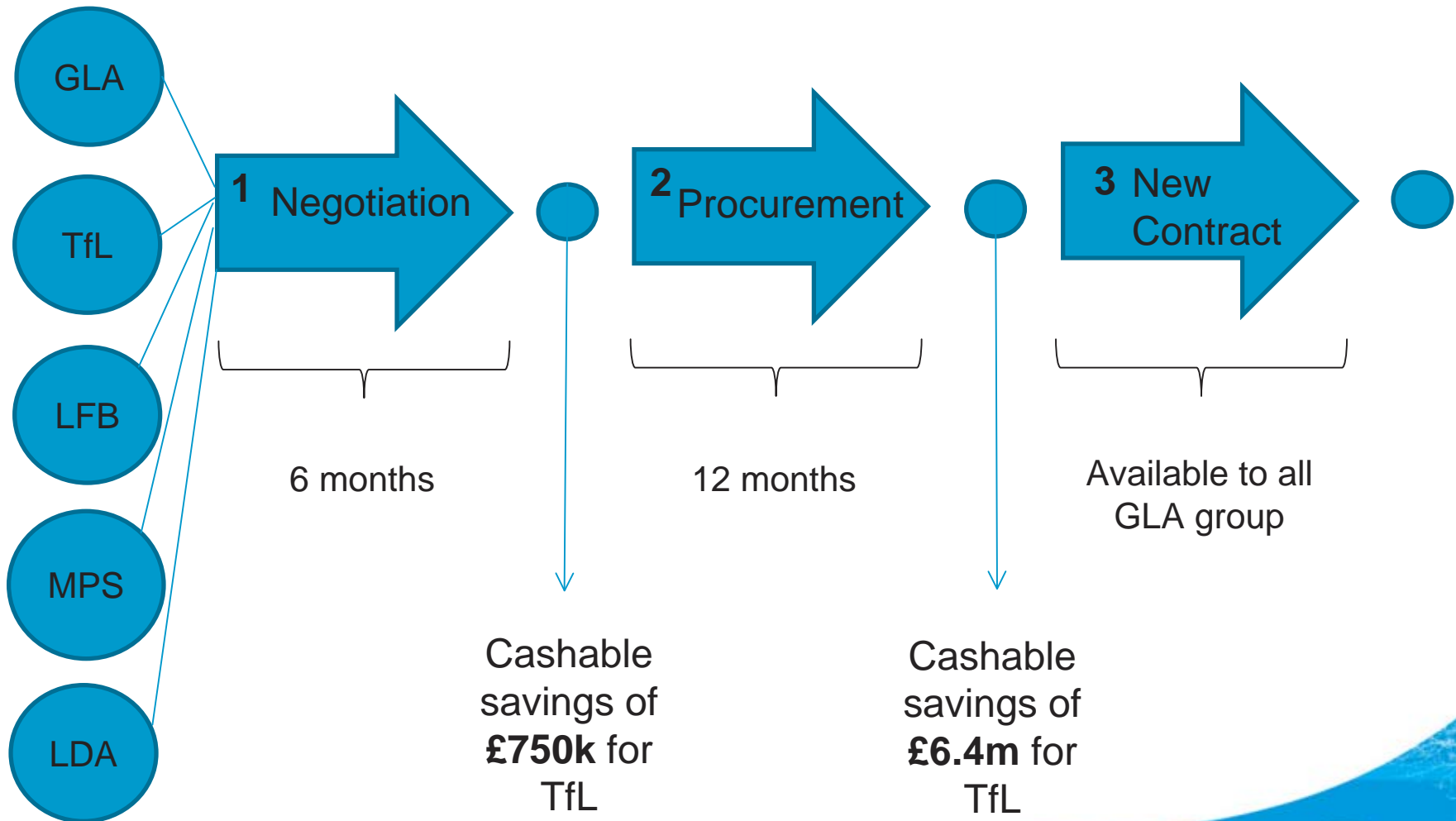
# Mobile Communication

- **Overview**
- **Phase 1 – Benchmark and Negotiate**
- **Phase 2 – Procure Collaboratively**
- **Phase 3 – Deliver Efficiencies**
- **Additional Benefits**



# Mobile Communication

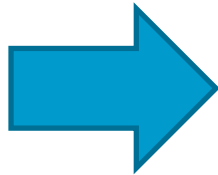
## Phased process



# Mobile Communication

## Phase 1 : Benchmark and Negotiate

Activity



Delivery



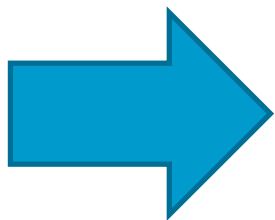
- GLA group benchmarked against one another
- TfL benchmarked against the OGC rates
- TfL extended the existing framework to align with the other members of the GLA group
- LDA, GLA, TfL and MPS contracts all terminating within 1 month of each other in January 2008
- Savings of **750k** for TfL
- Proven rates better than the OGC could be achieved



# Mobile Communication

## Phase 2 : Procure Collaboratively

Activity



- Gather requirements
- Procurement of a framework under the restricted procedure
- Invitation to Tender - 4 suppliers responded to the ITT

<b>Value</b>	£12 – 20M
<b>Estate Size</b>	10,000 handsets (circa 20,000 with whole GLA)
<b>Scope</b>	Mobile Telephony (Data & Voice) Managed Service's inc BlackBerry Application Purchases and Management
<b>Market</b>	3rd largest public sector contract in this category only behind the MOD and DWP
<b>Duration</b>	4 years (expiry after 2012 Olympics)
<b>Stakeholders</b>	TfL, LUL, Surface Transport and GLA family.
<b>Collaboration</b>	GLA wide framework. Possible extension to the boroughs



# Phase 2

## ● Delivery

- **E-auction - 2 suppliers taken through from ITT to compete in the E-auction**
- **Savings**
  - Additional E-auction Savings of £2.8m
  - Type
    - One way weighted (technical + price)
  - Rationale
    - To provide best value
    - Allows evaluated marks to be used
    - Provides a transparent process
  - Savings for TfL of £6.4m over 4 years
  - Anticipated benefits for MPS, GLA and LDA of £1.5m over 4 years
  - New rates outperform the new OGC 2009 rates by approximately 12%

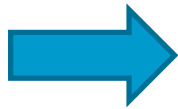


# Phase 3

## Phase 3 : Deliver Efficiencies

- The framework is available to the GLA family and 33 Boroughs
- Beneficial rates and credits can be applied to GLA group
- Benefit from TfL's contract management

Activity



- Developing a communication plan to the Boroughs
- The GLA group to benchmark existing contracts with the new contract available
- Developing a migration plan from existing provider to 02

Delivery



- Borough engagement commenced with interest shown from Newham and Westminster
- Benchmarking initial review showed £1m in potential savings
- Moving to 02 to deliver further savings across the GLA group – saving taxpayers money



# Additional Benefits

- Responsible procurement included at evaluation and in the framework terms and conditions addressing:
  - Environmental – provisions to maximise re-use and recycling;
  - Social and;
  - Ethical issues
- Standardisation of:
  - Technology platform (**02 to 02 calls are free**);
  - Software development;
  - Disaster recovery plans.



# Thank you

*“Technology does not run an enterprise,  
relationships do”*

***Patricia Fripp***

