

Resources

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Len Duvall AM

Chair of the GLA Oversight Committee
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Our ref: Duvall2502

Date: 25 February 2013

Dear Len

GLA Oversight Committee – 29 January 2013

Thank you for your letter dated 8 February 2013. As requested I have provided below the process in place for the procurement of small contracts and addressed each of your questions.

Background

Procurement at the GLA is undertaken by TfL under a shared services arrangement and governed by the Contracts and Funding Code which is designed to ensure that the GLA:

- acts in a fair and transparent way
- secures value for money
- safeguards itself against allegations of corruption or bias
- maintains a proper audit trail to support its actions
- complies with the law

The code requires that all procurements seek value for money and all contracts with an estimated value exceeding £5000 are subject to competition as follows:

Under £5000 –	Secure value for money
£5000 up to £125,000	Seek 3 or more written quotes/ call off from a framework
Above £125,000	Advertise in the Official Journal advertised tender or call from a framework

I can confirm that there is no approved list of tenderers for small contract awards. We do however use a range of approaches to ensure an appropriate level of competition including:

- (a) Holding a competition amongst tenderers identified jointly by the client and procurement team;
- (b) Advertising the requirement on CompeteFor;

- (c) A mini competition where we use a pre-let framework with a range of companies. The framework may be one specifically let for the GLA, one let by TFL, the Boroughs or the Government Procurement Service;
- (d) Advertising the contract in the Official Journal of the European Union where the estimated value exceeds £125,000.

I have provided below an indication of the spread of current live contracts held on the TfL Contracts calendar. The list does not include all sub-£5000 contracts placed on a purchase order or all contracts inherited from the LDA but is sufficient to give an idea of the range and value of contracts.

Band	No. of Live contracts	Value of Live contracts
0-5K	10	28,266
5K-10K	12	104,055
10K-25K	26	498,484
25K-50K	23	879,070
50K-100K	18	1,270,242
100K-125K	6	691,166
125K-500K	12	3,342,122
500K-1M	4	3,365,605
>1M	12	42,629,496
Grand Total	123	52,808,506

I trust you will find this information useful.

Yours sincerely



Martin Clarke
Executive Director - Resources