

Board

Date: 3 February 2016

Item: New Routemasters

This paper will be considered in public

1 Summary

- 1.1 The Board is asked to approve additional unbudgeted Financial, Project and Procurement Authority for the purchase of up to 195 additional New Routemaster (NRM) buses. This is an increase to the current project scope. Authority is also sought for iBus and ticketing equipment, and normal mid-life refurbishment and related matters necessary for the operation of these additional NRMs. The additional authorities requested and the EFC figures are in the paper on Part 2 of the agenda.
- 1.2 On 21 January 2016, the Finance and Policy Committee considered a similar paper, which recommended the purchase of 30 NRMs. The Committee requested an option for the purchase of a further 165 NRMs to also be considered by the Board. This has been addressed in the recommendations in this paper and is considered further in the paper on Part 2 of the agenda.
- 1.3 A paper is included on Part 2 of the agenda, which contains exempt supplemental 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 Recommendations

- 2.1 **The Board is asked to note the paper and the related paper on Part 2 of the agenda and:**
 - (a) **approve Project Authority for the purchase of up to 195 additional New Routemasters up to the sum set out in the paper on Part 2 of the agenda; and**
 - (b) **approve unbudgeted Financial and Procurement Authority for up to 195 New Routemasters, iBus and ticketing equipment, mid-life refurbishment and related matters, at the figure set out in the paper on Part 2 of the agenda;**
 - (c) **authorise the TfL Officers and the Subsidiaries (as described in paragraph 2.2 below) to finalise:**

- (i) the timing of the order for new buses and the number of buses per order; and
 - (ii) the terms on which the New Routemasters and ancillary requirements are to be supplied;
- (d) authorise the agreement and execution (whether by deed or otherwise on behalf of TfL or any Subsidiary (as appropriate) any documentation to be entered into in connection with the completion and implementation of any order for buses made pursuant to the approvals given in paragraphs 2.1(a), (b) and (c) above (an Order) and any of the matters referred to in them (including, without limitation, all agreements, deeds, guarantees, indemnities, announcements, notices, contracts, certificates, variations, letters or other documents); and
- (e) authorise TfL Officers and Subsidiaries to do all such other things as they consider necessary or desirable to facilitate the execution and implementation of any Order and the matters referred to in them.

2.2 The following Officers and Subsidiaries shall have delegated authority:

- (a) **TfL Officers: the Commissioner, Managing Director Finance, Managing Director Surface Transport, General Counsel; and**
- (b) **Subsidiaries: Subsidiaries of TfL including Transport Trading Limited and any other subsidiary (whether existing presently or to be formed) of Transport Trading Limited and any of the directors of the relevant company shall be authorised to act for and on behalf of that company.**

3 Background

- 3.1 Wrightbus Limited (Wrightbus) was awarded a contract to supply up to 1,000 New Routemaster (NRMs) vehicles (including initial prototypes) on 23 December 2009, following a competitive process.
- 3.2 Following the introduction of eight trial NRMs into service in 2012, in September 2012 the Board agreed to purchase 600 NRMs, with the final bus due to be delivered by March 2016.
- 3.3 On 5 November 2014, the Board granted additional Project and Procurement Authorities to purchase an additional 200 NRMs, to take the cumulative total to 808 NRMs by mid 2016, although this was subsequently reduced to 805 in line with the contract provisions to match the forecasted route allocation. The production of these vehicles is almost complete and Wrightbus is due to start closing down the production lines.

4 Options

- 4.1 An order for 30 NRMs would be required to enable Wrightbus to maintain the operation of one of the two current production lines, which keeps open a more cost effective option for purchasing additional vehicles. If both production lines were to close, it would increase the cost of any subsequent order due to the need to remobilise production. The paper included in Part 2 of the agenda sets out further details on the pricing for up to a further 165 vehicles.
- 4.2 Additional buses would include adjustments made to the original design, including upper and lower deck opening windows to improve ventilation and alterations to the rear door (modifications to the mechanism, voice warning and markings to improve safety). Buses would also include Microvast batteries, with improved operational performance over the original types.

5 Views of the Finance and Policy Committee

- 5.1 On 21 January 2016, the Finance and Policy Committee considered a similar paper. The Committee requested an option for the purchase of up to a further 195 NRMs be submitted to the Board for approval. This has been addressed in the recommendations in this paper and is considered further in the paper on Part 2 of the agenda.

List of appendices to this paper:

Exempt supplementary information is included in a paper on Part 2 of the agenda.

List of Background Papers:

Mayor's 2020 Vision

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