

Date: 12 December 2017

Item: Lifts and Escalators Procurement Authority Request

This paper will be considered in public

1 Summary

Infrastructure Renewals Programme		
Existing Financial Authority (excludes maintenance costs)	Estimated Final Cost (EFC)	Existing Programme and Project Authority
£982.73m	£982.33m	£746.12m

- 1.1 The paper requests Procurement Authority and approval to extend two contracts for the maintenance and renewals of lifts and escalators on London Underground (LU) stations.
- 1.2 A paper is included on Part 2 of the agenda, which contains exempt supplementary 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 Committee is asked to note the paper and the supplementary paper on Part 2 of the agenda; and**
- (a) **grant additional Procurement Authority for the continued renewal and maintenance of lifts and escalators in London Underground stations, as detailed in the paper on Part 2 of the agenda;**
 - (b) **approve the proposal to extend the existing contract with KONE for the renewal and maintenance of escalators on the Jubilee line stations for 6.25 years until 31 March 2025; and**
 - (c) **approve the proposal to extend the existing contract with Aurora for the renewal and maintenance of lifts on Jubilee, Northern and Piccadilly line stations for 6.25 years until March 2025.**

3 Background

- 3.1 The Lifts and Escalators Renewals portfolio forms part of the LU Infrastructure Renewals Programme. There are six contracts in place with suppliers for the renewal and maintenance of lifts and escalators on LU stations. Two of these contracts, one with KONE and one with Aurora, were let on similar terms and are now approaching their expiry date.

3.2 The contract with KONE was awarded in 2005 to undertake renewals and maintenance of escalators on the Jubilee line stations between Westminster and Stratford stations. The contract terms include a contractual right for LU to extend the term of the contract by (i) 12 months; or (ii) 6.5 years, in each case subject to providing at least one year's notice.

3.3 The contract with Aurora was awarded in 2011 to undertake renewals and maintenance of lifts on Jubilee, Northern and Piccadilly line stations. The contract terms include a contractual right for LU to extend the term of the contract by (i) 12 months; (ii) 6.5 years; or (iii) 7.5 years, in each case subject to providing at least one year's notice.

3.4 It is recommended that each of the existing contracts with Aurora and KONE are extended for a period of 6.25 years. For each contract, to enact the extension a notice must be issued by 31 December 2017, which is 12 months in advance of the contract end dates.

4 Strategic Case

4.1 The continued maintenance and renewals of these assets contributes to the achievement of the following Mayor's Transport Strategy outcomes:

Mayor's Transport Strategy outcomes	Lifts and Escalators Portfolio Objectives
Public transport will be affordable and accessible to all	1. Reduce operating costs 2. Maintain accessibility across the LU network
Journeys by public transport will be pleasant, fast and reliable	3. Improve customer satisfaction 4. Improve reliability
London's transport system will be safe and secure	5. Improve customer safety

4.2 The benefits of undertaking continued renewals and maintenance of the lifts and escalators include:

- (a) **Safety:** the proactive refurbishment and replacement of the assets helps manage customer safety incidents. When a lift or escalator is temporarily out of service, customer incidents increase.
- (b) **Reliability and availability:** the contract extensions with Aurora and KONE will include availability targets. The continuation of refurbishments and replacements are essential to achieving the targets and to reducing unplanned closures. Unplanned closures of these assets, particularly Step Free Access lifts, increases excess journey times for customers and limits the accessibility of the stations. Equality impact assessments and communication campaigns are undertaken for any planned closures to manage the disruption and provide alternative routes.
- (c) **Maintenance costs:** The renewals are planned to target the most critical assets and to manage obsolescence of components, which can contribute to lengthy unplanned asset closures. The operating costs for assets would

increase without the capital interventions due to increased reactive maintenance.

- (d) **Extension of asset life:** The asset interventions increase the life of the assets by replacing end of life components.

4.3 The Lifts and Escalator projects are working collaboratively with suppliers to reduce unit costs, the on-site durations of works, and value engineering initiatives. These activities will continue with the extension of the contracts.

5 Assurance

5.1 A TfL Project Review has been completed and confirmed that there are no critical issues. Actions are being taken for the six recommendations.

List of appendices to this report:

A paper on Part 2 of the agenda contains exempt supplementary information.

List of background papers:

Project Assurance Report

Management response to Project Assurance Report

Contact Officer: David Wylie, TfL Chief Procurement Officer
Number: 020 3054 7334
Email: DavidWylie@tfl.gov.uk