

Report to: Partnership Board –Transport for the South East

Date of meeting: 27 January 2025

By: Chief Officer, Transport for the South East

Title of report: Technical Call Off Contract – Third Year Extension

Purpose of report: To update the Partnership Board on the performance of Transport for the South East’s Technical Call-off Contract, and to propose that the contract be extended for a third year to July 2026.

RECOMMENDATIONS:

The members of the Partnership Board are recommended to:

- 1) **note the performance of the technical call off contract with the Steer consortium; and the ongoing need for support to deliver the technical programme; and**
 - 2) **approve the allowed for extension of the current technical call off contract for a third year until July 2026.**
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1. Introduction

1.1 The purpose of this report is to update the Partnership Board on the performance of Transport for the South East’s (TfSE) technical call off contract, and to propose that the contract be extended for a third year to July 2026.

2. Background

2.1 As set out in our business plans, TfSE has an ambitious and evolving technical work programme. The range and scale of work to be delivered is diverse and specialist advice and technical support is required from consultants to support its delivery.

2.2 In March 2023 the Partnership Board agreed that a technical call off contract was required and delegated to the Chief Officer responsibility to undertake a procurement exercise to commission a supplier to deliver technical support for TfSE work programme (previously each work element had been commissioned separately).

2.3 Following that procurement exercise, at their meeting in July 2023, the Partnership Board awarded a technical call off contract to a consortium of Steer (as lead bidder) and their supply chain partners (including Atkins, Arup and City Science). This contract currently runs from July 24th 2023 - July 23rd 2025, and contains an option

to extend to a third year to July 2026. The value of the initial two year term is up to £4m, with a possible additional £2m for a third year (subject to Department for Transport funding).

2.4 With the end of the current contract term approaching, a decision is needed on whether to extend the current contract, or whether to re-procure a new contract. To help inform this decision, TfSE officers carried out a contract review.

2.5 As per the TfSE constitution (part 3, section 16, 16.1, e), TfSE will not delegate (to the Chief Officer) the function of awarding contracts in excess of the threshold for goods and services set out in the Public Contracts Regulations 2015. (This is for any spend over £213,477). The value of the potential contract extension is over this threshold, and having previously agreed to award the contract, the Partnership Board are invited to agree the recommendation that the current contract should be extended.

3. Contract review

3.1 To help inform considerations TfSE Officers carried out a contract review in December 2024. This involved all TfSE officers who have projects that have been, or currently are, delivered through the call off contract.

3.2 The technical call off contract has been in place since July 2023, and in this time 36 tasks have been commissioned, with a total value of £2,003,374.25. Work is commissioned via TfSE preparing a task order setting out what is required, to which the Steer consortium respond with a task proposal detailing their methodology, costs, timescales and risks to delivery. This is a collaborative process and there is the opportunity to use the supply chain knowledge and experience to scope the work and shape task orders before a task proposal is prepared and agreed. This is particularly helpful when the work being undertaken is outside the direct experience of the TfSE team or is of a more innovative nature. If necessary or beneficial, this also allows for specialist input to be sought from the supply chain partners.

3.3 Prior to the technical call off contract being in place, each element of technical work had to be commissioned separately. As set out in the reports to the Partnership Board in March and July 2023, with the growing TfSE technical programme increasing amounts of time and resource were involved in running many separate procurement processes, and the technical call off contract was intended to ease that resource pressure through a more cost efficient, streamlined process.

3.4 The call off contract has been very successful in this endeavour, to the extent that the volume of work that has been completed would have been impossible to procure had the call off contract not been in place. The streamlined process ensures our limited resources are more focussed towards delivery, also provides the ability to commission work swiftly to respond to changing circumstances or asks from government.

3.5 Whilst the technical call off contract has facilitated the completion of a greater amount of the technical work, it has also enabled us to deliver against our budget in a more timely manner, and to reduce the amount of funding needing to be carried forward into next financial year.

3.6 The time and resource savings in procuring work have not only generated efficiency for TfSE, but also eased the pressure on the accountable body's procurement and sourcing solutions teams, who would be called on to support any procurement activities we undertake.

3.7 The contract is managed at both an individual project and overall programme or framework, level. Individual project management focuses on technical content and direct stakeholder engagement, whilst the framework management office ensures the work is managed as a cohesive programme (with consistency in approach and methodology) and leads on contractual and risk matters. This framework oversight ensures the most efficient use of resources and provides opportunity to shape and adapt the overall TfSE technical programme to best meet our desired outcomes. It also ensures that the resulting work lands correctly within the wider policy landscape in which Sub national Transport Bodies (STB's) operate.

3.8 Quality audits are carried out on individual projects, ensuring that agreed processes are being followed, with best practice and lessons learned shared amongst the whole team to continually improve the delivery of our work programme.

3.9 To ensure continued value for money each task proposal is agreed by TfSE officers before work commences and this includes the costs, programme and deliverables. The rates charged are set through the ESPO Framework through which the call off contract was tendered, and benchmarking is carried out to compare the costs against other similar work.

3.10 Social value was a key part of the tender process and thus far Steer and their supply chain have delivered £82,000 of social value across the TfSE region, including directly employing staff within the region, providing work experience opportunities, attending STEM and careers fairs, and offering professional advice and training to local organisations. Further social value offerings are planned for the remainder of the contract.

3.11 The contract contains an option for a possible extension into a third year from July 2025 to July 2026.

3.12 Having the technical call off contract in place has been hugely beneficial to delivery of the TfSE work programme and business plan, both in terms of the volume of work that it has been possible to complete, and the more efficient manner in which that has been done.

4. Future requirements

4.1 As set out in our business plan for 2025/26, TfSE continue to have an ambitious work programme, and will continue to require specialist advice and technical support from consultants to support its delivery.

4.2 In order to deliver this work programme the options for either re-procuring a new framework provider or tendering each work task separately have been discounted on the grounds of cost and resource efficiency. The rationale set out in the 2023 Partnership Board paper which sought agreement to the framework approach still apply.

4.3 The existing contract contains provision for an extension into a third year. The current contract is performing well. Measures are in place to effectively manage the contract framework and work programme, ensuring value for money, and the delivery of high quality outputs. Extending the contract for the third year would provide an efficient means of delivering the technical work programme, maximising the knowledge and experience gained from the operation of the contract thus far.

5. Conclusion

5.1 As set out in our business plan for 2025/26, TfSE continue to have an ambitious work programme, and will continue to require specialist advice and technical support from consultants to support its delivery. The current contract is performing well and contains provision for a one year extension to the original two year term. Extending the current contract would provide an efficient means of continuing to deliver the technical work programme, maximising the knowledge and experience gained from the operation of the technical call off contract.

5.2 Subject to the Partnership Board's agreement, the contract extension will be undertaken within the rules and parameters set out by the procurement team at East Sussex County Council as the accountable body.

5.3 The extended term would commence immediately following the close of the original two year term on 24th July 2025 and run until 23rd July 2026.

5.4 Prior to the extended contract expiring, in early 2026, proposals for future provision of technical support would be brought to the Partnership Board for their consideration.

6. Recommendation

6.1 The Partnership Board recommended to note the performance of the technical call off contract with the Steer consortium, and the ongoing need for support to deliver the technical programme.

6.2 The Partnership Board are further recommended to approve the allowed for extension of the current technical call off contract for a third year until July 2026.

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