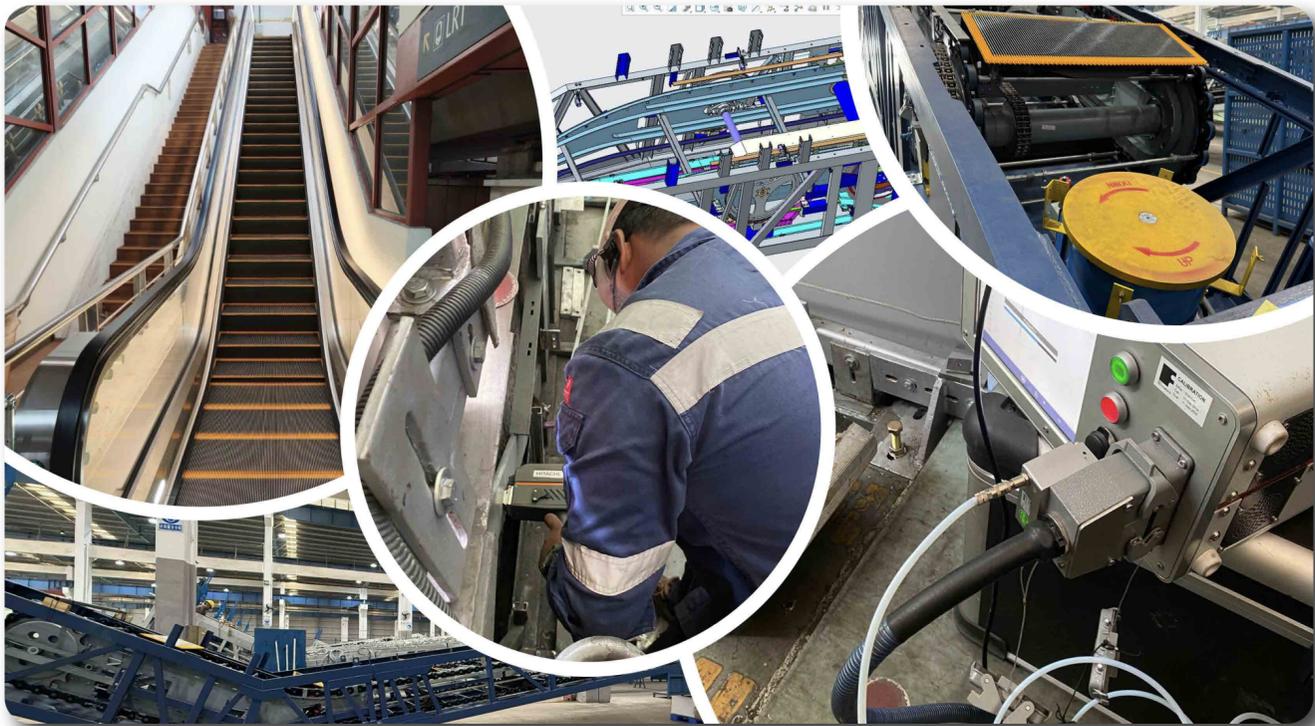


MINISTER'S VALUE-FOR-MONEY ACHIEVEMENT AWARD

Land Transport Authority
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MERIT AWARD

PROCUREMENT STRATEGY FOR RENEWAL OF AGEING ESCALATORS



PROJECT TEAM



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Cheng Ee Fen	Member
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Alicia Goh	Member
Charles Pang	Member
Tan Rui Qing	Member

OVERVIEW

**NEED FOR
PROJECT**

SOLUTION

IMPACT

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PROCUREMENT STRATEGY FOR RENEWAL OF AGEING ESCALATORS

NEED FOR PROJECT

Renewal of **290 ageing** escalators at North-South and East-West Lines and North-East Line

First major escalator renewal contract after implementation of **New Rail Financing Framework**



Ageing Escalators

- End-of-Life (> 30 years)**
 - 30 escalators
- Mid-Life (>15 years)**
 - 260 escalators

Across **32** stations

- There is a need to renew 290 Ageing Escalators who were:
 - End-of-Lifespan (>30 years)
 - Mid-Lifespan (>15 years)
- This would be the first major escalator renewal contract after implementation of the New Rail Financing Framework.

Retention of escalator structure frame

- Retention of original escalator structure frame.
- Minimise disruption to station operation and inconvenience to commuters

Conventional Approach

- Direct Contracting (DC) with Original Equipment Manufacturer (OEM)
- Quotation submitted by DC OEM (**\$156.3M**) was significantly higher than the cost for greenfield projects

- There would be Original Equipment Manufacturer (OEM) monopoly if LTA adopts the Structure Retention Approach.

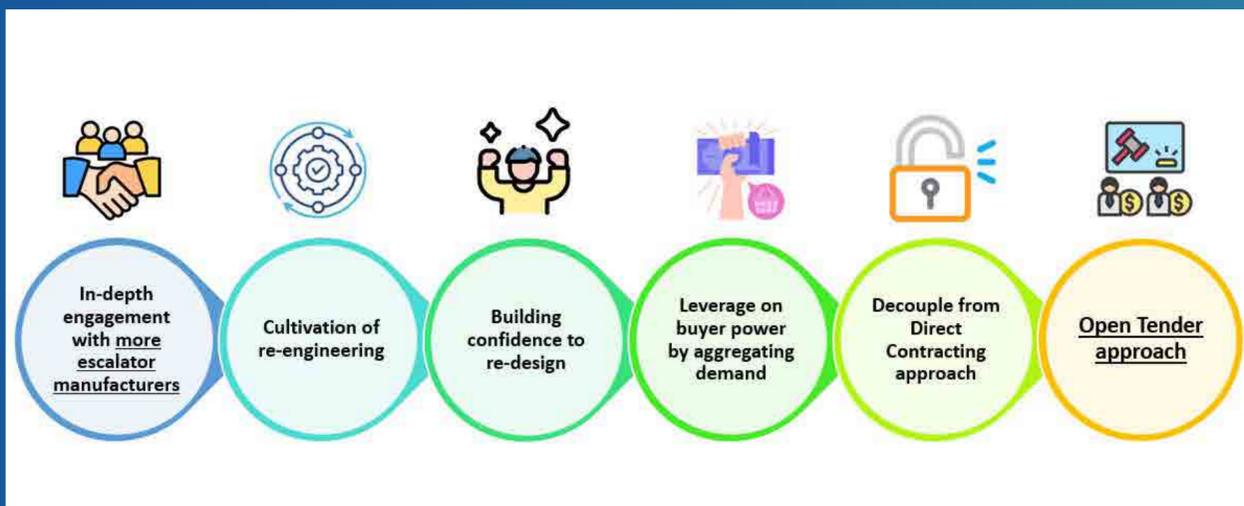
PROBLEM STATEMENT

Need to find an alternative to the conventional Direct Contracting approach with the OEM, which while retaining the original escalator structure frames, had resulted in a significantly high price of \$156.3mil.

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PROCUREMENT STRATEGY FOR RENEWAL OF AGEING ESCALATORS

SOLUTION



- Conducted in-depth engagement with more escalator manufacturers.
- Cultivated re-engineering.
- Developed confidence to re-design.
- Leveraged on buyer power by aggregating demand.
- Decoupled from Direct Contracting approach.

SOLUTION STATEMENT

Moved away from direct contracting and adopted an open tender approach by engaging multiple escalator manufacturers, developing re-engineering capabilities and aggregating demand to leverage buyer power.

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PROCUREMENT STRATEGY FOR RENEWAL OF AGEING ESCALATORS

IMPACT



- Built technical excellence.
- The approach is scalable for future renewal.



- Cost savings: \$88mil.

OUTCOME STATEMENT

This approach will deliver significant cost savings, optimise project execution, enhance commuter experience, break supplier monopoly, build technical excellence, and provide scalability for future renewals.