

<b>17 July 2024</b>		<b>ITEM: 18</b>
<b>Cabinet</b>		
<b>Electric Vehicle Charging Procurement</b>		
<b>Wards and communities affected:</b> All	<b>Key Decision:</b> Non-Key	
<b>Report of:</b> Cabinet Member for Place and the Environment		
<b>Accountable Director:</b> Claire Demmel - Interim Executive Director - Place		
<b>This report is</b> Public		
<b>Version:</b> Final / Cabinet		

## Executive Summary

This report sets out the proposals for the procurement of a Contract to facilitate the provision of Electric Vehicle (EV) charging facilities for on-street residential charging across Thurrock on the adopted highway.

The report seeks approval for the procurement of a new Contract utilising the funding received from the Department for Transport via the Local Electric Vehicle Infrastructure (LEVI) fund for the installation of new on-street charging facilities across Thurrock. The procurement option that will be applied will allow the Council to have a long-term and appropriate contract in place to ensure installation of new charging sites and the expansion of on-street residential EV charging infrastructure within a contractual period of 15 years.

This report is broadly based on the paper submitted to Members on 8<sup>th</sup> December 2020 covering the On-Street Residential Chargepoint Scheme (ORCS) funded EV Charging programme and procurement options.

This paper is focused upon the LEVI funding opportunity for Thurrock Council and how an appropriate EV Charging operator needs to be identified and commissioned to support emerging and future EV Charging in Thurrock, the strategy for implementation of which will be developed prior to the commencement of contract award.

### Commissioner Comment:

The Commissioners have seen the report and made no further comments.

### 1. Recommendation(s)

- 1.1 **That Cabinet approve the commencement of the procurement of a Contract for EV charging for a 15 year period, commencing April 2025, which will be compliant with national legislation and the Councils Contract Procedure Rules.**

- 1.2 That delegated authority be given to the Interim Chief Operations Lead, in consultation with the Portfolio Holder for Place and the Environment to decide the appropriate procurement route EV charging using LEVI funding for a 15 year period, subject to performance, commencing April 2025.
- 1.3 That delegated authority be given to the Interim Executive Director - Place, in consultation with the Portfolio Holder for Place and the Environment, to award the contract referred to above.

## 2. Introduction and Background

- 2.1 Thurrock has received funding from the Department for Transport (DfT) released through the LEVI Fund. LEVI Fund supports local authorities in England to plan and deliver charging infrastructure for residents without off-street parking.

The fund comprises:

- capital funding to support charge point delivery,
- capability funding to ensure that local authorities have the staff and capability to plan and deliver charging infrastructure.

- 2.2 The LEVI Fund has 2 main objectives:

- deliver a step-change in the deployment of local, primarily low power, on-street charging infrastructure across England,
- accelerate the commercialisation of and investment in, the local charging infrastructure sector.

- 2.3 Thurrock Council has been successful in the securing funding for the roll out of charging points to fulfil the requirements of the LEVI and it is currently in the process of recruiting to posts to lead on the production an EV Strategy and identification of site. The funding of these posts has previously been secured through the first tranche of LEVI funding.
- 2.4 To enable Thurrock to roll out additional charging points throughout the Borough, a procurement activity needs to be undertaken to align the Authority with a provider. The funding requirement stipulates certain conditions around the award of the Contract such as durations and locations of charge points. These are set out within the Heads of Terms document (Appendix 1).
- 2.5 The funding secured through the LEVI is expected to be £515,000. This funding provides for the installation of the first tranche of sites identified via the new EV Strategy. It is then expected additional funding will be secured through future grants and/or external funding through S106. In line with LEVI requirements, it is proposed that the Contract duration will be 15 years with an indicative value of £4.5million.
- 2.6 DfT guidance suggests two broad approaches available to local authorities, 'own and operate' and concession agreements. The DfT recommended route is via a concessions agreement which would see the successful tenderer managing and maintaining the assets with both Thurrock and the operator taking a share of the commercial profit as determined

by the successful tender. At the end of the term the assets would revert to Council to maintain.

- 2.7 A concession agreement would require a need to agree the percentage split with respects to income generated from energy charges. The percentage split would be assessed as part of the tender submission and quality assessment to ensure best value to the Authority.

### **3. Issues, Options and Analysis of Options New partnership / contract outcomes and deliverables**

- 3.1 As demand for public charge points grows year-on-year, the commercial attractiveness of charging infrastructure provision has increased. This has provided local authorities with an increasing range of options when procuring charge points, with different degrees of private sector involvement and contractual terms. This approach can help Thurrock to overcome capital constraints, transfer some cost and risk liabilities to the private sector, as well as harness suppliers' expertise in charge point deployment.

- 3.2 The contract would need to include the following elements:

- Supply and installation of charging points for on street and off street parking areas throughout the borough;
- Ongoing maintenance;
- All back office services;
- Customer service;
- User interface and payment services

- 3.3 A suite of Key Performance Indicators and data requirements would be developed, using best practice from elsewhere, to accurately measure both the performance of the contractor(s) and the overall success of the programme. Measures would need to be flexible as priorities change over the term of the contract. These KPIs should include, but not be limited to the following:

- Urgent repairs - percentage of urgent installations completed within the required timescale;
- Non urgent repairs - percentage of non-urgent installations completed within the required timescale;
- Contractual meetings - percentage of contractual meetings attended and issues resolved to the Council's satisfaction;
- Social value – percentage Social Value targets delivered;
- Installations per year Service Model

- 3.4 It is considered that a Sole Provider option will provide the best option to deliver the scheme over the course of a 15-year programme, which includes the supply, installation and maintenance of EV charging points across the whole of the borough (with the aim of delivering the maximum number of installations per year). This complies with the LEVI Heads of Terms (Appendix 1) where it recommends a 15 year duration (Ref: HofT 1. Term pg 4).

3.5 The proposed service arrangement will bring forward a project that is to provide net zero cost to the Authority where the end user will be charged for using the facility. This is consistent with the existing commercial EV charging operations across the UK. The 'Sole Provider' options has the following advantages:

- Minimal ongoing maintenance costs (dependant on tender outcome);
- Continuity of service;
- Only one organisation to manage;
- Data returns from one source;
- One procurement process;
- Single point of contact, supporting appropriate service allocation, data sharing and monitoring;
- Relatively scalable to meet future budget changes;

3.6 The concession route allows for risk to be managed. For example, with a 100:0 profit model for the Council, all operating and utilisation risk sits with the Council. Whereas a shared approach passes all key activities covered under Section 3.5 to the provider. This would mean Thurrock Council and the provider share in the success and profits of the scheme with the provider taking a share of the operational risk in return for a 60% share of the profits, which reduces the Councils ongoing operational cost exposure.

3.7 It has been considered whether any element of this new service could be delivered in house, however it would take a significant amount of time to undertake the insourcing exercise, carry out the additional procurement activity and set up an IT system to manage the back office systems. A large private sector provider would be more likely to be able to meet the Council's requirement to flex resources over the term of the contract as priorities and funding changes. In light of the above, it is considered that the desired outcome (expansion of EV charging infrastructure) would be less achievable through the 'in house' route.

3.8 It is therefore recommended to procure the contract using a framework agreement. This allows the Authority to ensure it is meeting the requirements under the Heads of Terms set out by the DfT. With Procurement the following options have been considered:

Procurement Route	Description	Advantages	Disadvantages
1.Restricted tender process	Advertised two-stage competitive tender exercise, whereby applicants submit a Selection Questionnaire which is scored and then short-listed applicants are invited to tender.	Pre-determined number of suppliers are invited to bid.	Large amount of internal resource required.  Statutory minimum timescales apply for SQ and tender submission
2.Open tender process	Advertised single-stage competitive tender exercise.	Any supplier may submit a tender.	Unknown number of bids to evaluate.

			<p>Large amount of internal resource required.</p> <p>Statutory minimum timescales apply for tender submission.</p>
3. Further-competition under framework	A competitive tender exercise is carried out under a suitable pre-existing framework agreement that is compliant with national legislation.	<p>Fast process.</p> <p>Suppliers under the framework are already approved so no need for SQ.</p> <p>Known maximum number of bidders.</p> <p>Less internal resource required than Open or Restricted process.</p> <p>No statutory minimum timescale for tender submission.</p> <p>Complies with LEVI Heads of Terms</p>	Can only invite suppliers that are on the framework.

Based on the above table the recommended route to market is option 3.

3.9 Due to the value of the service provision, the Council is not required to procure these contracts in accordance with the Concession Contracts Regulations 2016 but must comply with the Council's Contract Procurement Rules.

### 3.10 **Timetable for Procurement and Award**

Indicative timescales as below, following internal approval to commence procurement and drafting of all procurement documentation:

Activity	Duration (note all durations are sequential, i.e. no overlap)
Seek expressions of interest from suppliers listed on the framework	22 <sup>nd</sup> July 2024
Bid submissions from suppliers	16 <sup>th</sup> September 2024
Tender evaluations	14 <sup>th</sup> October 2024
Internal governance form sign-off	28 <sup>th</sup> October 2024
Standstill period	10 working days
Notify unsuccessful/successful bidders and contact award	11 <sup>th</sup> November 2024

Contract sign-off	9 <sup>th</sup> December 2024
Mobilisation /contract start	1 <sup>st</sup> April 2025

#### 4. Reasons for Recommendation

- 4.1 To able the Place Directorate to proceed with the framework procurement option as set out above and approve the endorsement to undertake the tender process to secure a supplier agreement for the roll out of the facilities with a contract value of up to £4.5million over the 15 year period of the contract.

#### 5. Impact on corporate policies, priorities, performance and community impact

- 5.1 The contract aims to meet corporate priorities through the delivery of high quality services in all elements. The delivery of LEVI funded EV Charging aims to increase the accessibility and capacity of EV charging points for residents. It will support the climate and net zero agenda and encourage and promote cleaner travel.

#### 6. Consultation

- 6.1 Consultation has taken place with colleagues from the Procurement team in the writing of this report and options on the most practical procurement route.
- 6.2 This report will be presented to Cabinet on 10<sup>th</sup> July 2024 for consideration and approval.

#### 7. Impact on corporate policies, priorities, performance and community impact

- 7.1 The contract aims to meet corporate priorities through the delivery of high quality services in all elements. The delivery of LEVI funded EV Charging aims to increase the accessibility and capacity of EV charging points for residents. It will support the climate and net zero agenda and encourage and promote cleaner travel.

#### 8. Implications

##### 8.1 Financial

Implications verified by: **Mark Terry and Laura Last**  
**Finance Managers**

Below is the breakdown of the £328k Local Electric Vehicle Infrastructure (LEVI) revenue funding by financial year. This is capability grant funding from the Office for Zero Emissions Vehicles and will be used to get the project started, funding staff costs initially for 2-year period.

£	Local Electric Vehicle Infrastructure (LEVI) grant
59,040	22/23 Grant funding (*received and available to spend in 24/25)
134,480	23/24 Grant funding (*received and available to spend in 24/25)
134,480	24/25 Grant funding (awaited)
<b>328,000</b>	<b>Total</b>

\*A receipt in advance was done at year-end 22/23 and 23/24 with the permission of the Office for Zero Emissions Vehicles.

There is £515k of capital grant funding for LEVI (from Office for Zero Emissions Vehicles) which is due to be received in late 24/25 or 25/26, following the procurement being in place. A further £115k of capital match funding has been agreed by members from the Integrated Transport Block (ITB) allocation for 2024/25, from Department for Transport.

There are no other dedicated council budgets (revenue or capital) specifically for this work. However, the intention is that the capital grant funding will pay for the installation of several Electric Vehicle charging points. The ongoing costs (including electricity and maintenance) associated with each charging point will be paid by the contractor before the net profit is split. It is expected that the net profit from the contract will be split 60:40 in favour of the supplier. This 60:40 split is a typical contract arrangement for these types of contracts and is one that is recommended by the Office for Zero Emissions Vehicles. The council will use its expected 40% to potentially purchase additional/replacement EV Charging units and towards Highways Maintenance spend. Sites chosen for EV charging points will be data led (the ones most likely to generate more money will be introduced first).

The risk to the council is expected to be minimal. Once the contract ends, it is expected that there will be a subsequent contract to maintain the EV Charging units, which is also expected to be on a profit share basis. This is because the council does not have this capability in-house. The intention is to specify in the contracts that the assets (EV Charging units) are in an operational condition at the end of the contract.

Once the initial capital grant funding is exhausted, there could be further use of the capital ITB funding in the earlier years of this project to fund additional EV charging units. It is also possible that further funding could be available from a range of other sources (including further capital grants from central government, section 106 contributions, or section 278 developer contributions) which could be used to extend this project. However, in the event that no other funding is available to be used on this project, the intention would be to use a contract to maintain the existing EV Charging units.

It is also important to note that, although the proposed contract has an indicative value of £4.5m over 15 years, there is no guarantee of throughput on the contract. In addition, the spend on this contract won't necessarily be the same each year, spend could build up gradually as required, in line with any available funding.

## 8.2 Legal

Implications verified by: **Kevin Molley**  
**Team Leader Contracts 19/04/2024**

The Council has power to enter into contracts for the provision of EV charging facilities to support the delivery of its functions under s.1 of the Localism Act 2011 (the general power of competence) as it has the power to do anything an individual can do. None of the limitations on the power in s.2 to 4 of the 2011 Act apply to the recommended decisions.

In procuring goods and services, as the contract is below the threshold for concessions under the Concession Contracts Regulations 2016 the Council is still required to comply with the requirements of its own Contract Procedure Rules. The use of frameworks to procure goods and services is specifically authorised under clause 15 of Chapter 9 Part II of the Council's Constitution, but the Council must ensure it complies with the terms of the Framework, and that it discharges the obligations upon it to secure Best Value. The proposed method of selection via competition referred to above is an established route to discharge this obligation, but officers are advised to keep Legal Services fully informed as the procurement progresses. In particular officers should ensure the value of the contract does not increase such that it breaches the threshold for concession contracts referred to above. The current threshold stands at £5,372,609 (inclusive of VAT)

### 8.3 Diversity and Equality

Implications verified by: **Rebecca Lee**  
**Team Manager Community Development**

A Community Equality Impact Assessment will be carried out to assess any impact this contract would have on the community. While there are no specific diversity and equality implications arising from the procurement process, the provider is expected to set out their plans to deliver social value benefits that are relevant and proportionate to the contract. This may include through the creation of apprenticeships and jobs for residents, using suppliers that are based in Thurrock and supporting green initiatives that have a positive impact for the borough.

### 8.4 Risks

The funding is dependent on the any potential award aligning with the Heads of Terms (Appendix 1). Therefore it is considered the proposed procurement route set out within this report offset risks to the funding. As set out in section 3.4 to 3.7 the concessions route brings the minimal risk to the Authority.

8.5 Other implications (where significant) – i.e. Staff, Health Inequalities, Sustainability, Crime and Disorder, or Impact on Looked After Children

9. **Background papers used in preparing the report** (including their location on the Council's website or identification whether any are exempt or protected by copyright):

EST GUIDANCE NOTE – s151 funding award letter.  
Electric Vehicle Charging Paper – 8<sup>th</sup> December 2020  
[https://nevis.cenex.co.uk/assets/tender-evaluation\\_v1.2.pdf](https://nevis.cenex.co.uk/assets/tender-evaluation_v1.2.pdf)

### 10. Appendices to the report

Appendix 1 - LEVI - Concession Heads of Terms

#### Report Author:

Paul Crick



Interim Chief Operations Lead  
Place