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| 8 December 2020 | | ITEM: 6 |
| Planning, Transport, Regeneration Overview and Scrutiny Committee | | |
| Electric Vehicle Charging | | |
| Wards and communities affected: All | Key Decision: N/A | |
| Report of: Matthew Ford, Transport Development Manager | | |
| Accountable Assistant Director: Leigh Nicholson, Assistant Director of Planning, Transportation and Public Protection | | |
| Accountable Director: Andy Millard, Director of Place | | |
| This report is Public | | |

Executive Summary

Thurrock has one of the most significant growth-led regeneration agendas in the country. It is vital to ensure future growth is supported by the right transport infrastructure, providing sustainable travel options for our communities and businesses whilst addressing climate change, reducing congestion and improving air quality.

This report sets out the proposals for the provision of Electric Vehicle (EV) charging facilities, both off-street and on-street provision within Council owned assets and on the adopted highway.

The report identifies the budget requirement and the procurement options for the Council and sets out a recommended approach to secure the installation and expansion of EV charging infrastructure up to 2035.

1. Recommendations:

1.1 The Committee is asked to note and comment on the recommendations that will be considered by Cabinet and to:

- 1) Support the procurement of a single contract over a maximum period 15 years. The initial contract period will be 10 years with an option to extend for one further period of 5 years (10+5);**
- 2) Support the creation of a policy to inform the roll out of the charging infrastructure, based upon a demand led approach for on-street and off-street parking provision and the upgrade/expansion of existing Council assets and in town centre locations and transport hubs;**

- 3) Note the budget and contract value for the full 15 year period to the value of up to £9m based on the following income areas:**
- a. Allocation of budget on the DfT Integrated Transport Block funding of minimum £75,000 per annum (total allocation over 15 year project life is estimated at being a minimum of £1.125m);**
 - b. Contributions secured pursuant to Section 106 of the T&CPA1990 (based on Local Plan projections for infrastructure improvements), and;**
 - c. Office for Low Emission Vehicle (OLEV) grant funding of up to 75% of the capital costs for installation of EV facilities.**
- 4) Note the approach to delegated authority for awarding contract(s) to the Director of Place in consultation with the Portfolio Holder for Highways and Transport.**

2. Introduction and Background

- 2.1 At present there are only 3 EV charging points (which are located in Grays and South Ockendon) and the Council does not have an established provider of charging points. The existing facilities are in excess of 8 years old and currently provide facilities via a combination of 3Kw 3-pin “household” and a 7Kw 7-pin “Mennekes” socket systems.
- 2.2 EV technology has moved on over the last 10 years and is projected to continue into the future. This growth has resulted in the existing charging infrastructure becoming obsolete, with a requirement to provide alternative socket provision and increase Kw power outputs.
- 2.3 It is vitally important that new housing and commercial growth in the borough is supported by the right forms of transport infrastructure and residents and business are provided the opportunities to use cleaner and more sustainable modes of transport. EV’s will play a key role in the Council’s ambitions to tackle climate change and it is necessary to expand and improve the charging infrastructure within the borough to promote the use of EVs on the network as a cleaner and sustainable mode of transport.
- 2.4 In order for Local Authorities to provide the necessary infrastructure to meet the Government’s aspirations on reducing CO2 emissions and banning Internal Combustion Engines by 2035, the Office for Low Emission Vehicles (OLEV) have provided a funding source to provide up to 75% of the costs for Local Authorities on a match-funding basis. This funding is limited on a first come, first served basis and it is unknown whether the funding will continue past its current allocation.
- 2.5 The Council receives a settlement each year from the DfT in the form of an Integrated Transport Block allocation (ITB). The ITB programme seeks to deliver an extensive range of transport improvements which reflect the vision

and aims set out within the Council’s long term Transport Strategy (2013-26). Tackling congestion, delivering accessibility, improving air quality and making Thurrock’s roads safer are core elements of the Transport Strategy which support sustainable growth and regeneration in the Borough.

- 2.6 The total Integrated Transport Block capital programme allocation for Thurrock for 2019/20 amounted to £971,000. It is proposed to redirect a minimum of £75,000 per annum from the ITB going forward towards the roll out of EV charging points. The ITB allocation must be supported by the OLEV grant to enable the proposed level of EV charging to be implemented. The ITB allocation alone will not deliver the required infrastructure and the 75% OLEV allocation must be secured to allow the proposed EV charging improvements to be implemented. The Council can also seek contributions from developers for electric vehicle infrastructure to supplement the ITB budget and aim to secure further match funding opportunities or direct infrastructure funding for facilities in these new development areas so that the costs can be reduced.
- 2.7 With the opportunity to use government funding to subsidise the installation of EV charging facilities it is important that the council establishes a contractual arrangement / partnership to ensure the expansion of charging points in the Borough and to ensure easy access for users.
- 2.8 Subject to government funding being secured, the current budget is estimated to be split as follows:

| Contract Period | Projected Budget Allocation per annum | Potential OLEV Funding | Fixed Council funding (ITB) | Estimated Contributions from Developments per annum (\$106) | Maximum contract value over period |
|------------------------------------|--|-------------------------------|------------------------------------|--|---|
| Fiscal years 1 – 5 (2021-2026) | £300,000 | £225,000 75% | £75,000 25% | £0 0% | £1.5m |
| Fiscal years 6 to 10 (2026 - 2031) | £525,000 | £975,000 75% | £75,000 11% | £100,000 14% | £2.65m |
| Fiscal years 11 -15 (2031–2035) | £575,000 | £0 0% | £75,000 12.5% | £500,000 12.5% | £2.875m |

Table 1.0 – Estimated funding provision per annum

- 2.9 The contract value is estimated to be circa. £7m in accordance with the above table. However, an upper threshold of £9m would be required, should additional funding sources be provided over the life of the project so to safeguard the integrity of the contract.
- 2.10 The EV Charging Point Contract should be seen within the emerging Thurrock Transport Strategy to promote sustainable travel and reduce vehicle emissions within Thurrock. It will also allow the borough to align with the OLEV strategy for ‘unprecedented long-term commitment for the transition to ultra-low emission motoring in the UK.’

3. Issues, Options and Analysis of Options

New partnership / contract outcomes and deliverables

3.1 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

3.2 A suite of Key Performance Indicators and data requirements would need to be developed 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 - x% of urgent installations completed within the required timescale;
- Non urgent repairs - x% of non-urgent installations completed within the required timescale;
- Complaints – Number of complaints;
- Contractual meetings - x% of contractual meetings attended;
- Social value - x% Social Value targets delivered;
- Installations per year

Service Model

3.3 A range of different options were considered for both the model and procurement route, including maintaining separate service output, single provider, or part supplier and part in-house operation.

3.4 It is considered that a Sole Provider option will likely be 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 a minimum of 20 installations per year). However, through the tender process, if splitting the contract to supply and installation and then a separate contract for the management of the contract proves to be more cost effective, this will be explored.

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;
- Flexibility with regards to future planning

3.6 It has been considered whether any element of the service could be brought 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.

3.7 It is therefore recommended to run the contract through an open market tender exercise to ensure the best chance of cost effectiveness and innovation.

Procurement Route

3.8 It is proposed to tender for a single contract over a maximum period 15 years. The initial contract period will be 10 years with an option to extend for one further period of 5 years (10+5). The contract value for the full 15 year period will be of the order of £9,000,000.

3.9 There are a number of benefits of a longer term contract as compared to a shorter term contract, which can be seen as follows:

- Potential for lower annual cost as start-up costs can be recovered over a longer period;
- As both parties are in contract for an extended period of time, there is more room to build trust, allowing for stronger working partnerships;
- The longer the contract period, the better the supplier understands the Council's business and business processes. This will allow greater integration of business, IT and financial processes alongside increased effective stakeholder involvement from both parties;
- Long-term relationships provide the opportunity for both parties to engage in a process of continual improvement of both products and services provided.

3.10 The final contract would need to include adequate break clauses and the Council's legal and procurement teams would oversee any such clauses to

ensure suitability. A suite of robust key performance indicators and data requirements will also be developed to accurately measure both the performance of the contractor and the overall success of the programme. Measures would need to be flexible as priorities change over the term of the contract.

- 3.11 Due to the value of the service provision, the Council is required to procure these contracts in accordance with the Public Contracts Regulations 2015 and also to comply with the Council’s Contract Procurement Rules. Officers have considered a number of options for re-procurement via either an Open Procurement Process advertised through ‘Find a Tender’ (which from 1st January 2021 replaces the Official Journal of the European Union), or by accessing purchasing consortium frameworks.
- 3.12 Whilst there are many benefits to using framework agreements, it is considered that in this case an Open Procurement Process is the most appropriate way forward. Principle reasons for an Open Process would be that the Council wishes to attract a larger number of bidders that would not necessarily be included on any framework agreement and that as framework agreements can last for up to four years, they may not include suppliers who have come to the market more recently. Whether the procurement route is a framework agreement or an Open Process, key criteria of price, quality and social value would be included as part of any final contract award decision.
- 3.13 Timetable for Procurement and Award

| Action | Date |
|-----------------------------|--------------------------------|
| Issue Tender | 8 th January 2021 |
| End of Clarification Period | 29 th January 2021 |
| Tender Return | 12 th February 2021 |
| Evaluation Period Ends | 12 th March 2021 |
| Standstill Period Concludes | 26 th March 2021 |
| Award of Contract | 29 th March 2021 |
| Contract Commencement | 29 th April 2021 |

4. Reasons for Recommendation

- 4.1 This report is submitted to PTR O&S for consideration and endorsement to proceed with a new budget allocation within the Integrated Transport Budget to provide EV charging facilities across the borough. The total estimated value

of budget allocation within the DfT grant funding of up to £75,000 per annum for a 15 year period.

- 4.2 The report also seeks endorsement to undertake a new tender process to secure a strategic partnership agreement for the roll out of facilities with a contract value of up to £9m over the 15 year period of the contract. The tender processes will seek to provide a model for delivery whereby the Council can seek a partnership model for joint investment and provide a model of limited costs to the Authority in relation to maintenance and running costs.
- 4.3 A new policy would be required to base the rollout on a demand led approach whereby facilities will only be provided from established data led approach and evidence of user demand, with an emphasis of providing facilities for all major town centres within Thurrock and in those areas where on plot and/or off-street parking provision is limited.
- 4.4 Delegated authority to award the contract would enable the award to take place with sufficient lead in time to begin upgrades of existing facilities and work on a new supplier/partnership with a dedicated budget provision and ability to then secure match funding from government initiatives.

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 following three examples show how priorities will be delivered through the contract:

| Priority | Delivered By |
|--|---|
| Improve existing EV charging infrastructure throughout the borough. | Clearly this is the fundamental scope of the Service. The service aims to increase the accessibility and capacity of EV charging points for residents. |
| Support climate change and encourage and promote sustainable travel. | The popularity of sustainable modes of travel is growing and with this the infrastructure to support this also needs to grow. |
| To meet government aspirations. | The government are aspiring to cease the sale of single fuel vehicles from 2035, therefore the demand for charging points will likely increase substantially. |

6. Implications

6.1 Financial

Implications verified by: **Mark Terry**
Senior Financial Accountant

The budget requirement from the Council is identified as being £75,000 per annum and is to be provide from the Integrated Transport Block funding from the Department for Transport and will be included in the Parking Management area of the programme.

Additional funds will be secured via the bid process with OLEV on a case by case basis and is currently set at up to 75% of the costs per installation. This funding is currently available with no end date other than once the funds have been allocated to Authorities and committed. Once this funding source has ended, this will not prejudice the project delivery but will reduce the level of scheme per annum. Provision of electricity will be net zero cost to the Authority as the end user will be charged for using the facility

Further funding has been identified via the contributions route of Section 106 of the T&CPA1991. This will be secured through the planning process and allocated to projects in specific areas and ring fenced accordingly.

6.2 Legal

Implications verified by: **Courage Emovon**
Principal Lawyer / Manager – Contracts Team

This report is seeking approval from PTR Overview and Scrutiny Committee for agreement to undertake a tender process for EV charging points within the Borough as noted in the report.

The proposed procurement routes for the Contract must comply with the Council's Contract Procedure Rules and the Public Contract Regulations 2015. The open tender process mentioned in this report is provided for under Regulation 27 of the Public Contract Regulation and referred to as the Open Procedure.

Legal Services should be fully involved at every stage of the proposed tender exercise and will be on hand and available to assist and advice on any legal issues that may arise.

6.3 Diversity and Equality

Implications verified by: **Roxanne Scanlon**
**Community Engagement and Project
Monitoring Officer**

The contract would deliver EV charging infrastructure across the whole borough providing our communities with improved opportunities to more sustainable modes of travel. A Community and Equality Impact Assessment will be carried out to identify specific actions to include in the specification so to ensure the needs of target areas and groups of people with protected characteristics are met, as well as ensuring ease of access to services. Bidders' achievement of similar outcomes for a range of target groups and areas will be tested as part of the tender process.

7. **Other implications** (where significant) – i.e. Staff, Health, Sustainability, Crime and Disorder)

- None

8. **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):

- None

9. **Appendices to the report**

- None

Report Authors:

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