

# Cabinet

9 July 2024

## Local Electric Vehicle Charging Infrastructure Funding Procurement

### For Decision

#### Cabinet Member and Portfolio

Cllr. Jon Andrews, Place Commissioned Services

**Local Councillor(s):** All

**Executive Director:** Jan Britton, Executive Lead for Place

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**Report Status:** Public (the exemption paragraph is N/A)

#### 1. **Brief Summary:**

- 1.1 The Council defines a key decision, in terms of procurement activity, as those with a financial consequence of £500k or more.
- 1.2 This report provides notice of a planned procurement activity for the installation and operation of Electric Vehicle Charging Infrastructure. The procurement is conditional on a £2.49m Local Electric Vehicle Infrastructure (LEVI) funding award by the Office for Zero Emission Vehicles. The funding body expect an Invitation To Tender (ITT) and an explanation of the route to market for the application deadline of 16th July 2024.
- 1.3 It is recommended that the procurement will be carried out jointly with BCP Council on the basis that:
  - The outcome will provide an improved customer experience – one charging network (two including the Mer network) across the two authorities.

- The two authorities have a history of joint working and joint provision via the current suppliers Joju and Mer
- Use of shared resources to develop the contract and carry out the procurement process.
- Both authorities have shared requirements regarding on-street residential charging
- There is the potential for a better value offer from suppliers due to economies of scale and other benefits of a larger project portfolio.

1.4 It is proposed that BCP Council will take the lead on the procurement process with Dorset Council officers developing the contract and legal element. Although a joint procurement is proposed the two authorities shall have separate contracts with the successful supplier.

## 2. **Recommendation:**

- 2.1 Cabinet is asked to consider the contents of this report in respect of proposed over £500k procurement activity and to agree:
- 2.2 to begin the procurement procedure described in the report
- 2.3 that the further step of making any contract award should be delegated to the lead cabinet member for Place Commissioned Services after consultation with the Executive Director for Place and having regard to the recommendations of the Electric Vehicle Charging Infrastructure Programme Board chaired by the Head of Dorset Highways.

## 3. **Reason for Recommendation:**

- 3.1 Cabinet is required to approve all key decisions with financial consequences of £500k or more.

## 4. **Report**

- 4.1 To help meet the expected demand for public electric vehicle charging infrastructure from electric vehicle owning households who do not have access to off-street parking, the Office for Zero Emission Vehicles (OZEV) have allocated Local Electric Vehicle Infrastructure funding to all tier one local authority in England. The Dorset Council's allocation is £2.49m.
- 4.2 In addition to the £2.49m there is a requirement that the funding is at least matched by the same amount through private sector investment. This will

take the procurement value to at least £5m. The intention is to operate the charging infrastructure under a concession contract.

4.3 A condition of the funding application to OZEV is that Dorset Council must submit an Invitation to Tender (ITT) and have a clear route to market as well as a set of clear contractual heads of terms. OZEV via the funding support body have indicated funding will be conditional on authorities procuring a supplier by November 2024.

4.4 OZEV's LEVI programme has two key objectives:

- Delivering a step-change in the scale of deployment of local, primarily low power, onstreet charging infrastructure across England
- Accelerating the commercialisation of, and investment in, the local charging infrastructure sector

4.5 The LEVI application that will be submitted Dorset Council, and any procurement associated with it will need to address these objectives to be successful.

## 5. **Procurement Procedure**

5.1 This will be a concession contract. A regulated concession contract is a contract that meets the definition under regulation 3 of the Concession Contracts Regulation 2016 and has a total turnover over the lifetime of the contract in excess of £5,372,609 (inc. VAT).

5.2 In English law, the awarding of concession contracts over a value of £5.37 million by local authorities is governed by the Concession Contracts Regulations 2016, not directly by the Public Contracts Regulations (PCR) 2015.

5.3 On this basis the procurement will go out to open tender rather than utilising an existing framework or dynamic purchasing system arrangement. OZEV would like to see the award made by November 2024.

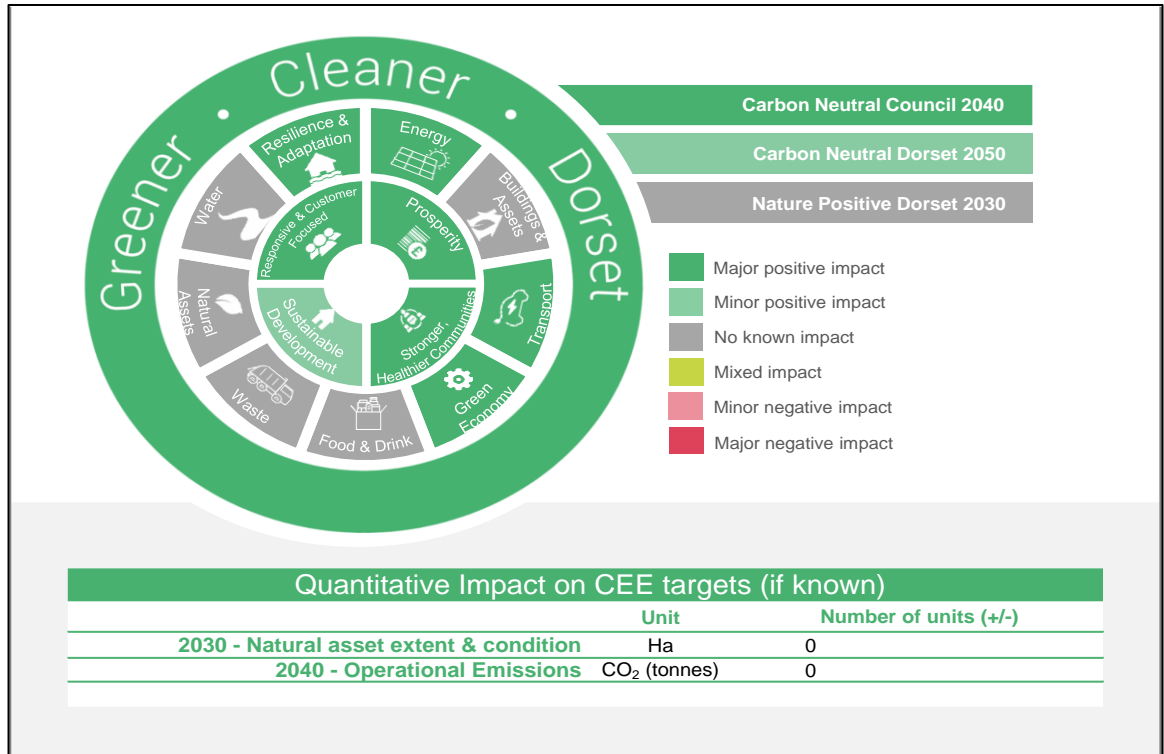
## 6. **Financial Implications**

6.1 On-street residential charging is high risk and of limited commercial value to chargepoint operators. OZEV are providing LEVI funding to enable local authorities to subsidize private sector investment in this area of provision. Without this subsidy Dorset Council are unlikely to be able to attract

chargepoint operators willing to install EV charging infrastructure in on-street locations.

- 6.2 Through the procurement the authority expects to:
- 6.3 Achieve at least 50% match funding from the successful supplier
- 6.4 Receive a revenue share and/or bay rental income from the successful supplier for the term of the contract (15 years)
- 6.5 Take over the charging assets, associated infrastructure, and revenue at the end of the contract term
- 6.6 The appointed Chargepoint Operator (CPO)/concessionaire will take on all the operating costs including: maintenance, administration, damage repairs and energy supply costs.
- 6.7 The following are to be considered by the project team as part of the business case / procurement project initiation and sourcing report and rationale for each procurement:
  - how best value from the procurement/contract will be achieved
  - how the contract and supplier(s) will be effectively managed to deliver revenue targets
  - the intended best approach to assess the contract performance and supplier relationship to manage expectations in respect of annual price increase amid a higher level of inflation that has not been experienced for many years

## 7. **Natural Environment, Climate & Ecology Implications**



7.1

7.2 The natural environment, climate and ecological decision tool wheel suggests that this project will have a significant positive impact on CO<sub>2</sub>e emissions particularly in the transport sector. See appendix 1 for accessible table showing the impacts.

7.3 The transport sector is responsible for around a third of all CO<sub>2</sub>e emissions. Enabling the switch to electric vehicles is key to reducing these emissions. The LEVI programme and the electric vehicle charging infrastructure it supports is vital for households without access to off-street parking to switch to ultra-low emission electric vehicles.

7.4 It will be a condition of any procurement that suppliers must provide 100% renewable energy (grid renewable energy accepted) across their network. Suppliers will be required to recycle and/or repurpose equipment.

## 8. Well-being and Health Implications

This project supports the use of ultra-low emission vehicles which reduce the amount of airborne particulates.

## 9. Other Implications

None

10. **Risk Assessment**

10.1 HAVING CONSIDERED: the risks associated with this decision; the level of risk has been identified as:

Current Risk: low

Residual Risk: low

11. **Equalities Impact Assessment**

11.1 An EqIA for the installation of public electric vehicle charging infrastructure can be found at [Installation of Electric vehicle charge points \(EVCPs\) EqIA - Dorset Council](#)

11.2 A refreshed EqIA will be completed once the project has been more clearly defined

12. **Appendices**

Appendix 1 – accessible table showing the impact on C02e emissions.

13. **Background Papers**

None

14. **Report Sign Off**

11.1 This report has been through the internal report clearance process and has been signed off by the Director for Legal and Democratic (Monitoring Officer), the Executive Director for Corporate Development (Section 151 Officer) and the appropriate Portfolio Holder(s)

Appendix 1

**ACCESSIBLE TABLE SHOWING IMPACTS**

| <b>Natural Environment, Climate &amp; Ecology Strategy Commitments</b> | <b>Impact</b>         |
|--|-----------------------|
| Energy   | major positive impact |
| Buildings & Assets   | No known impact       |
| Transport  | major positive impact |
| Green Economy  | major positive impact |
| Food & Drink   | No known impact       |
| Waste  | No known impact       |
| Natural Assets & Ecology   | No known impact       |
| Water  | No known impact       |
| Resilience and Adaptation  | major positive impact |

| <b>Corporate Plan Aims</b>        | <b>Impact</b>         |
|-----------------------------------|-----------------------|
| Prosperity                        | strongly supports it  |
| Stronger healthier communities    | strongly supports it  |
| Sustainable Development & Housing | minor positive impact |
| Responsive & Customer Focused     | strongly supports it  |