

Report for: Cabinet December 11th 2018

Title: Award of Contract for Rapid Electric Vehicle Charging Points

Report authorised by : Assistant Director of Environment and Neighbourhoods, David Murray.

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Ward(s) affected: Crouch End, Muswell Hill and Noel Park

**Report for Key/
Non Key Decision:** Key Decision

1. Describe the issue under consideration

The demand for Electric Vehicle Charging Points (EVCPs) is growing. The council is considering all options available to expand the network of EVCPs for residential and commercial use and to encourage the uptake of Electric Vehicles in the borough.

As part of this the council has been working with Transport for London (TfL) to install Rapid EVCPs in the borough to assist in expanding the network.

This report is to seek approval to award a contract to Chargemaster Plc, a Rapid Electric Vehicle Charging Point (EVCP) provider and operator, to install, manage and operate 5 rapid (EVCP's) in the borough at the following locations/sites:

- Crouch Hall Road Car Park, N8 – 2 points
- Summerland Gardens Car Park, N10 – 2 points
- Gladstone Avenue, N22 – 1 point for black taxis only

Chargemaster Plc have been selected via a mini tendering process undertaken by TfL on the Council's behalf under the TfL Framework Agreement for Rapid Charging Point(s) and it is proposed that a call-off contract be awarded to this provider under this framework.

2. Cabinet Member Introduction

In line with the Mayor's announcement in April 2017 to launch a Rapid Charging Point Scheme for electric vehicles and the council's policy to promote the uptake of electric vehicles through the implementation of charging infrastructure wherever possible, it is important that an extensive electric vehicle charging network is installed in order to reduce the barriers to the uptake of electric vehicles.

The rapid charging points proposed by TfL will allow electric vehicles the opportunity to recharge in as little as 30 minutes (as opposed to 3-7 hours with existing charge points) .

In order to improve the air quality within the Borough and establish a user friendly network of rapid charging points that will enable the public and businesses to move from fossil fuels to electric, the council agree with TfL's proposals for the installation of rapid charging point(s) in on and off-street locations on Borough owned land.

3. Recommendations

3.1 It is recommended that Cabinet approves the award of a concession contract to Chargemaster Plc, pursuant to a call off from a framework agreement set up by Transport for London as allowed under CSO 7.01(b), for eight (8) years with an option for a two (2) year extension exercisable at the Council's sole discretion, to carry out site enablement, installation, operation and maintenance of Rapid EVCPs and associated infrastructure at the following locations/sites in the borough:

- Crouch Hall Road Car Park, N8 – 2 points
- Summerland Gardens Car Park, N10 – 2 points
- Gladstone Avenue, N22 – 1 point for black taxis only

3.2 Cabinet is asked to note that under the proposed concession contract:

- (i) All costs for the installation of the charging points will be covered externally by Transport for London (TfL) and Chargemaster Plc and all ongoing maintenance and operating costs of the charging points will be met by Chargemaster Plc over the contract term;
- (ii) The charging points will be available for use on a pay as you go basis and the average charge for customers will be £0.22p (exl. VAT) per KW/h and may increase in the future in line with inflation; and
- (iii) Chargemaster Plc will commit to paying to the Council:
 - a site charge in an amount, set out in paragraph **8.1.2** of the Exempt report, per annum per site for each of the three (3) sites payable on a quarterly basis and totalling the amount set out in the same paragraph of the Exempt report over the maximum ten (10) year contract term; and,
 - **a percentage amount**, set out in paragraph **8.1.4** of the Exempt report, of the turnover generated from the rapid charge points payable on an annual basis over the contract term; and
- (iv) There will be no cost to the council.

3.3 Cabinet is also asked to note that the income the Council derives from the concession contract will be used to develop and deliver traffic and parking solutions in line with the Council's various Transport and Air Quality strategies.

3.4 Cabinet is also recommended to delegate to the Assistant Director of Environment and Neighbourhoods, after consultation with the Assistant Director of Corporate Governance, authority to approve the terms of all licences, leases and/or agreements as necessary to facilitate the apparatus being installed and maintained on the Council's land and public highway pursuant to the Call-off contract

4. Reasons for decision

The contract is being awarded to ensure that more charging points are installed to assist in establishing and expanding a network of EVCPs that will meet the demands of residents and businesses and encourage the uptake of electric vehicles in the borough.

5. Alternative options considered

Option 1 – Do nothing

Pursuing this option would not deliver the business and residential needs of the borough for rapid recharging. Additionally it would not enable the delivery of local air quality improvements from vehicles. Demand for a rapid recharging service will increase when the Ultra-Low Emission Zone (ULEZ) starts. This London charge (the ULEZ charge) on emitting vehicles will start in 2019 and require all emitting vehicles (not electric vehicles) to pay an annual charge to drive in Greater London - including Haringey. The rapid recharging networks will primarily deliver business needs (including taxis) as these vehicles need to be moving to deliver a return on investment for operators and therefore they will be willing to pay extra for rapid recharging. The lack of forward planning and no network would impact on the local businesses and residents in urgent need for a quick recharge, or could discourage them from investing in electric vehicles. This option is not recommended.

Option 2 – Council invests in its own infrastructure

To deliver a network of approx. 5 posts would require an upfront capital investment of at least £250,000 and over a period of 10 years is likely to require at least £300,000 to deliver ongoing management and replacement of equipment. While expected returns are envisaged to be attractive under a high uptake of electric vehicles scenario, with a low uptake the returns drop off considerably. It is noted that the size of the Haringey network (which is small) would make it expensive to manage, maintain and operate as it is only covering the Haringey area, when compared to a pan-London network. The risk around the Council successfully delivering this service would also be high as this is not an area where the Council has the resources to deliver and manage.

Alongside this to undertake the procurement exercise to deliver this equipment would require an EU procurement which would take at least 6 months to appoint a contractor and then an extra 6 months to design and install equipment. Again this option is not recommended.

Option 3 – Partnership investment arrangement

The Council could seek out an investment partner to operate in a joint venture (JV) for the network. But given the scale of investment and the number of points, it is unlikely to attract any serious investors. Soft market testing in this area has indicated that there is little appetite for a JV in this market place at a borough level given the small scale of this opportunity. This option is not recommended.

6. Background information

Transport for London (TfL) announced in April 2017 £18 million of investment for rapid charging points to be installed in London for black taxis and to encourage drivers to go electric to help clean up London's air.

TfL have a target to install 150 rapid charging points by the end of 2018 and have 300 fully functioning by 2020 and will work with boroughs to identify suitable locations (on-street and off-street).

TfL have procured a number of third party operators ("concessionaires") under a Framework Agreement to install, operate and maintain these charging points.

London Boroughs have the ability to enter into a call-off contract with one of the concessionaires following the tender of sites via the framework. The tender process has defined the services that the concessionaire has been selected to provide as well as the timetable for delivery. Boroughs decide how the EVCPs will be installed, operated and maintained.

It will be necessary for the Council to enter into licence, leases and/or other legal agreements with both TfL and the operator to grant them both rights to install and maintain apparatus on the Council's land and on the public highway. The agreements with the operator will govern how they can use the sites in accordance with the Call-off contract.

The demand for EVCP's is growing. Haringey's Traffic and Carbon Management team have been working with TfL to ensure that Rapid EVCPs are installed in the borough to meet these demands in addition to other options the council is considering to expand the network of charging points in the borough.

The mini-tender process for calling off the most suitable concessionaire under the TfL framework was carried out by TfL's procurement team on the Council's behalf. A report on the tender process is contained in Appendix 1 of this report, Transport for London's (TfL's) Contract Award Recommendation - Reference Number: tfl_scp_001290 documents.

7. Contribution to strategic outcomes

The implementation of Rapid EVCP's is in line with the council's Local implementation Plan (Transport Strategy) http://www.haringey.gov.uk/sites/haringeygovuk/files/haringey_s_final_lip.pdf and the Mayor's Transport Strategy for Low Emission Vehicles Delivery Plan for London <http://content.tfl.gov.uk/ulev-delivery-plan.pdf>.

8. Statutory Officers comments (Chief Finance Officer (including procurement), Assistant Director of Corporate Governance, Equalities)

8.1 Finance

This contract is for eight (8) years with an option for a two (2) year extension at Council's sole discretion.

The installation, operation, maintenance of Rapid EVCPs and associated infrastructure costs of the charging points will be covered externally by Transport for London (TfL) and Chargemaster Plc (The operator).

The charging points will be installed at Crouch Hall Road car park (3 parking spaces) and Summerland Gardens Car Park (3 parking spaces)

Whilst there are some financial risks associated with this project, these may be compensated by the potential income from turnover generated from use of the charging points.

The financial risk may also be offset against the wider benefits of the project such as:

- Improving local air quality
- Improving the health and wellbeing of the local population
- Delivering the corporate priority of a strong local economy through encouraging sustainable travel.
- Delivering the corporate priority of a delivering a sustainable environment
- Reducing the impact of conventionally fuelled vehicles and encouraging sustainable transport methods

The implementation of this will serve as a pilot to determine the future demand and infrastructure requirements within the borough for Electric Vehicles. It will also give an indication of potential turnover and likely prompt a discussion around carrying out future installations ourselves.

If implemented, it is anticipated that adjustments will be made to parking income in the budget and also for the share of EV charging revenue in future years.

Information on Exempt report as its commercially sensitive

8.2 Procurement comments

The decision to award to Chargemaster Plc is supported by Strategic Procurement following a compliant procurement exercise by TfL on behalf of the Council.

This contract will ensure more charging points are made available in the borough to promote the use of electric vehicles by businesses and residents. Commercially, the Council will be benefiting from a guaranteed annual revenue in the amount stated in paragraph **8.1.2** of the Exempt Report per site for the 3 identified sites over the initial 8 year contract period plus a commitment revenue

of a percentage amount set out in paragraph 8.1.4 of the Exempt report of the turnover to be generated from the scheme over the same period.

8.3 Legal comments

- 8.3.1 The report recommends the award of a service concession contract which was not subject to the EU tender regime but was tendered after EU notice of the tender was given on a voluntary basis.
- 8.3.2 Contract Standing Orders (CSOs) apply to this procurement in as far as CSO 7.01(b) allows the Council to award a contract to a contractor selected from a framework duly established by another public sector body.
- 8.3.3 Paragraph 3.1 of the report proposes that the contract be awarded pursuant to a call off tender run under a framework set up by Transport for London. This framework provides for public bodies in Greater London, including the Council, to call off contracts from the framework. It also allows for contracts to be called off from the framework for terms of up to 10 years, which is what is proposed here.
- 8.3.4 The Assistant Director of Corporate Governance confirms that there are no legal reasons preventing Cabinet from approving the recommendations in paragraph 3 of this report.

9. Equality

All equalities requirements are included within the Transport for London (TfL) Framework Agreement - Reference Number: tfl_scp_001290

10. Use of Appendices

Appendix I - Transport for London (TfL) Contract Award Recommendation - Reference Number: tfl_scp_001290

11. Local Government (Access to Information) Act 1985

This report contains exempt and non exempt information. The exempt information is contained in Appedix II Exempt Report and is not for publication. The exempt information is under the following category (identified in amended schedule 12A of the Local Government Act 1972 (3)):

Information relating to the financial or business affairs of any particular person (including the authority holding that information).

Appendix I

Contract Award Recommendation

on behalf of the London Borough of Haringey

for

tfl_scp_1290

RAPID CHARGE POINT CONCESSION FRAMEWORK

- CALL-OFF NO. 030

SUBMITTED BY:	The Commercial Manager
Value:	Revenue Generating Only
Date:	2 October 2018
Status:	Final
Version:	2.0

Contract Award Recommendation

1. Introduction / Executive Summary

- 1.1 This paper seeks approval to proceed with the award of a call-off contract under the Rapid Charge Point Concessions Framework.
- 1.2 The call-off contract is for the supply, installation, operation and maintenance of rapid charge point infrastructure on land owned by the London Borough of Haringey and the successful Concessionaire is Chargemaster Plc.
- 1.3 This is a revenue generating call-off contract only; The Awarding Authority will incur no expenditure as a result of its award.

2. Summary of Call-Off Contract

Value including any options:	Revenue Generating Only	Initial contract value:	N/A
Contract duration:	Eight (8) years with an option for a two (2) year extension exercisable at Haringey's sole discretion		
Contract type:	Call-Off	Nature of the procurement:	Concession Services
Terms and Conditions used:	Bespoke Framework Agreement	Special terms or considerations:	WRRR, CDM, IPR, LLW, Data Protection
Is this a call-off from a current framework?	Yes	If yes, which Framework?	Rapid Charge Point Concessions Framework (tfl_scp_001290)
UK Legislation that Applies (irrespective of value):	Outside of Public Contracts Regulations 2015 and Concession Regulations 2016 but conducted following Treaty Principles	Number of Lots:	N/A
What Category / Categories does this cover? <small>[category hierarchy]</small>	N/A	Is a Category Plan in place? If yes, which one(s)?	No
Business Units this contract will cover:	Surface Transport		
Contracting authority details:	London Borough of Haringey		

Successful tenderer details:	Chargemaster Plc a company registered in England and Wales (Company Registration Number_06720009) whose registered office is at Mulberry House, 750 Capability Green, Luton, Bedfordshire, LU1 3LU
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3 Adherence to Procurement Strategy

3.1 Summary

A summary of the background of this procurement can be found in the approved Procurement Strategy, available on request. The only deviation from this strategy has been to simplify the Technical Requirements scoring scale from TfL's standard five (5) point scale to the following: This change was agreed with TfL Senior Commercial Manager, prior to issue of Request Form 030 and has been implemented since the Technical Requirements scoring does not align with degrees of quality, rather the submission from the bidder either meets the requirement or it doesn't. The above scale therefore makes this a more appropriate scoring methodology for these evaluation elements.

Descriptor Title	Score	Descriptor
Poor	1	The response does not meet the requirement. Does not comply and/or insufficient information provided to demonstrate that the bidder has the ability to provide the supplies/services.
Meets the Requirement	5	Demonstration by the bidder of the relevant ability to provide the supplies/services.

4 Tendering

- 4.1 All five (5) Concessionaires were invited to submit a proposal against Request Form No. 030 (for the TfL sites listed in Appendix B to this document) on 14 September 2018 via the ProContract e-tendering system.
- 4.2 Four (4) clarifications were raised against the Request Form and they were all responded to within the tendering timeframe (see attached Appendix C to this document for details).
- 4.3 Compliant proposals were received from two (2) bidders, Chargemaster and ESB, by the tender return deadline of 2 October 2018.
- 4.4 The Bidders that declined to tender were: Bluepoint, British Gas and Fastned.

5 Evaluation

5.1 Commercial Evaluation:

Chargemaster explicitly accepted the terms and conditions of the Call-Off Contract as drafted in their proposal, inclusive of the Site Agreements, and therefore was eligible to have the remainder of their proposal evaluated.

ESB also explicitly accepted the terms and conditions of the Call-Off Contract as drafted in their proposal, inclusive of the Site Agreements, and were therefore eligible to have the remainder of their proposal evaluated.

5.2 Overall Evaluation Results Summary

CALL-OFF NO. 030 - OVERALL EVALUATION RESULTS:

BIDDER	FINANCIAL EVALUATION		QUALITY EVALUATION			TOTAL SCORE
	Site Charge (out of 25%)	PAYG Average Charge (out of 25%)	Turnover Percentage (out of 15%)	Technical Requirements		
				Charge Point Specification (out of 17.5%)	Design Drawings (out of 17.5%)	
ESB	25.00	22.92	12.00	17.50	17.50	94.92
Chargemaster	21.88	25.00	15.00	17.50	17.50	96.88

5.3 Financial Evaluation

5.3.1 Exempt information

5.3.2 PAYG Average Price:

Evaluated by the Commercial Manager, using the TfL standard Price Proportion Methodology. On average, ESB will not charge pay as you go customers more than £0.24 (exl. VAT) per KW/h whilst Chargemaster tendered a price of £0.22p (exl. VAT) per KW/h.

The maximum score was therefore awarded to Chargemaster.

5.4 Quality Evaluation

5.4.1 Exempt information

5.4.2 Charge Point Specification:

Evaluated by the Commercial Manager, ESB proposed the Siemens/Efacec Model QC45 rapid charge point whilst Chargemaster proposed their own 'Ultracharger' unit. Both charge point types fully meet TfL's requirements and therefore each bidder received the maximum score available.

5.4.3 Planning Compliant Drawings:

All requested drawing were of a suitable quality to be used to obtain planning permission therefore the maximum score was obtained by both bidders.

6. Savings / Benefits

6.1 Exempt information

6.1.1 Exempt information

6.1.2 Exempt information

7. Value Added

Work Related Road Risk, London Living Wage, Ethical Sourcing, Timber Standards and Supplier Diversity clauses are all included in the Call-Off Contract.

PACKAGE OF SITES FOR CALL-OFF CONTRACT NO. 030

Ref	Location	Latitude/Longitude	Access
RC078	Crouch Hall Road Car Park, Crouch Hall Rd, N8 on the west side of the car park.	51.579521, -0.124923	Public
RC080	Summerland Gardens Car Park, Summerland Gardens, N10 on the north east side of the car park	51.590042, -0.142434	Public
RC085	Gladstone Avenue, N22 at the side of 162 High Road, in the taxi Rank	51.596209, -108926	Taxis