

Waiver Report – EV Trials Service vehicle purchase

Date: 16th November 2021

Report of: Sustainable Energy & Air Quality

Report to: Director Resources

Will the decision be open for call in? Yes No

Does the report contain confidential or exempt information? Yes No

What is this report about?

Including how it contributes to the city's and council's ambitions

- Leeds City Council (LCC) has been allocated grant funding from National Highways (formerly Highways England) to enable the purchase of a range of electric vehicles that will be utilised to support the uptake of zero emission fleets through the Electric Vehicle (EV) trials service. The funding awarded to LCC facilitates the authority to be at the forefront of decarbonising transport through assisting businesses, public sector and third sector organisations to trial EV's.
- LCC has purchased 44 mini-vans and 5 cars that have been utilised by different organisations through the completion of trials. There is an opportunity to secure an additional 5 x 50kW larger vans through a direct award to Toyota.
- Procuring EV's has been challenging with long lead-in times, restricted availability of vehicles and limited options for larger vehicles having been available. Due to ongoing discussions with manufacturers Toyota have advised that they have 5 of the vehicles that the EV trials centre wish to procure that are available directly, rather than on factory order that would mean they can be delivered within the timescales to support delivery of trials and will utilise remaining capital within the timescales of the capital needing to be used.
- There is therefore a requirement to seek approval to procure 5 x 50kW Toyota ProAce electric vans to support delivery of this externally funded project. There is a requirement to directly award a contract to Toyota to secure these models as undertaking a competitive procurement in accordance with Contract Procedure Rules would not allow for delivery of the vehicles within the timescales necessary for utilisation in the trial scheme, or within the funding period. These vehicles will subsequently be transferred to fleet services for use in service delivery, therefore providing externally funded assets to support delivery.
- This procurement and the service that it supports are directly linked to the delivery of the council's response to the Climate Emergency. The EV trials service encourages the uptake of EV's across the city and therefore directly assists with the decarbonisation of transport – one of the key contributors to the cities carbon footprint.

Recommendations

In respect of the Toyota ProAce Purchase the Director Resources is recommended to:

- a) Approve the waiver of the following contract procedure rules – 9.1 and 9.2 as we are not seeking a competitive tender process
- b) Approve use of the capital budget for this project for the purposes of procuring the 5 x Toyota ProAce 50kW electric vans
- c) Authorise the direct procurement of the vehicles through in line with the proposal of this waiver report to expedite the delivery of the vehicles to meet project deliverables and funding timeframes.
- d) and award a contract to Toyota GB in the sum of £151,885.90. The contract shall commence on the 1st December 2021 and expire on the 31st March 2022.

Why is the proposal being put forward?

- 1.1 The purpose of this report is to seek authority from the director to approval to incur expenditure of up to £151,886.90 which is provided by National Highways funding for the project. Approval of the waiver allows for the use of this funding within the funding period and utilisation of the vehicles being purchased to be used for the intended purpose of the external funding. This ensures that the council can deliver the expected outcomes of the EV Trials project in a way that would not be possible with a full procurement exercise. This also falls within the existing external budget provided for the project. It is not possible to secure an equivalent delivery timescale for alternative vans of this category within the project delivery timeframe, as such this option is determined to be the most effective way to utilise the project funding.
- 1.2 To deliver a contract award via direct appointment of contract to Toyota to allow for the purchase of the 5 Toyota ProAce 50kW electric vehicles as part of improving the variety of vehicles, user experience and flexibility of the EV trials service.
- 1.3 Leeds City council has ambitious targets for the expansion of its electric zero emission fleet. Currently the existing EV fleet is understood to be the largest of any UK local authority with rapid expansion plans to increase that through the fleet replacement programme as projected up to 2025.
- 1.4 The need to continue that expansion as well as support city wide transition of fleets through delivery of a the EV Trials and subsequent transfer of those vehicles to fleet is critical. This project offers both funding to support the purchase of additional, larger capacity vehicles to be added to the EV Trials and then corporate fleet.
- 1.5 On a wider scale, LCC will be contributing to the visibility of a broader range of EV's in operation across the city and through delivery of trials with the new vehicles development of use cases and underlying data sets that will support more total cost of ownership assessments as a way of encouraging uptake of EV's across the city.
- 1.6 The EV Trials project facilitates the purchase of these vehicles with external funding, but that which must be utilised with a promptly expedited purchase so that the delivery of the vehicles meets both the timescales of the trial and the utilisation of the National Highways funding.
- 1.7 The EV Trials project provides the resources to support the trial of these vehicles by users through the existing trials service. This service is oversubscribed and as such additional vehicles offer both a variety of EV types, but also more scope to deliver trials.

- 1.8 The project will deliver additional benefits which are not quantifiable in terms of cashable savings but instead will raise the profile of electric vehicles operation and use across the city.
- 1.9 There are two options available to the council to secure supply of the larger capacity electric vehicles – Option 1.9.2 is preferable for the EV-Trials project:
- 1.9.1 Conduct our own procurement exercise for the appointment of a supplier for larger capacity electric vehicles, however this would provide the option for factory order timeframes as well as completion of a full tender process that would not meet the timeframe for the funding, or delivery of the EV trials scheme.
 - 1.9.2 Approval of a waiver of CPRs 9.1 and 9.2 to enable a direct award to Toyota for delivery of 5 x ProAce vehicles that are showroom available and therefore can be delivered to meet both the funding window for the project and the EV Trials scheme timescales. This funding covers the purchase of the project's capital assets with the EV Trials scheme ceasing in March 2022. As such the budget must be used to provide vehicles that are used within the timeframe of the EV Trial service, so would need to be purchased and secured with time for them to be used as trial vehicles this would necessitate receipt no later than January 2022. The popularity of the scheme supports the need to purchase additional vehicles and the recent availability of larger battery and capacity models supports the purchase of these category of electric van. We would award with the approval of the Director based on expediting delivery to utilise available funds, rather than risk having to return funds as unspent. If the vehicles are not purchased with a window of use prior to the end of March 2022 we would not be able to utilise this external funding.
 - 1.9.3 Vehicles for the project will be purchased through awarding of a contract that will be reviewed by the Procurement and Contracts legal team and published to YORTender.
 - 1.9.4 There is no option for an internal service provider or existing contractor to deliver to these timescales due to the factory order nature of most fleet procurements.
- 1.10 National Highways have provided the funding for these vehicles and a capital scheme exists to support the EV Trials project. The funding must be spent within the timescales of the trials scheme, which ends at the end of the financial year 2021/22, with the vehicles having been used before the end of March 2022 also.
- 1.11 Vehicles: 5 x Toyota 50kW ProAce @ £30,376.18 per vehicle based on quote with local authority discount and plug in government discount applied. Total cost for the 5 vehicles will be £151,886.90. (Attached as appendix).
- 1.12 The vehicle has been trialled by Fleet Services by operational staff and the specification of the vehicle assessed. The vehicles as provided by Toyota also come with better than industry standard vehicle warranty and enhanced battery warranty and therefore provides an advantage when compared with similar vans in this category from other manufacturers.
- 1.13 Toyota are registered on Leeds City Council's finance system as a supplier.

What impact will this proposal have?

Wards Affected:

Have ward members been consulted? Yes No

This will not have a direct impact on a particular ward. This proposal will have the positive impacted of enhancing the service offered through the EV trials scheme that supports uptake of zero emission, electric vehicles across the city.

What consultation and engagement has taken place?

- 1.13.1 Fleet Services have been consulted on the specifications of all the electric vehicle being purchase for the EV Trials service and this vehicle is no exception. The service has trialled and assessed the vehicle for future service use.
- 1.13.2 Fleet Services and Sustainable Energy and Air Quality (SEAQ) team have worked closely together to ensure that the EV's purchased are compatible with the needs of fleet vehicles and to ensure that they are suitable for the electrical capacity of each location. This project supports the strategic work by reducing emissions from LCC's vehicle fleet and making a contribution to improving public health through bettering air quality and decarbonising transport and operations.
- 1.13.3 The lead member for sustainability has been updated on this proposal to purchase additional vehicles for the EV Trial service.

What are the resource implications?

- 2 The external funding identified in this report will provide the capital necessary to extend and provide variety to the Council's EV Trials fleet offering, supporting the expansion of the city-wide electric fleet and subsequently the council's own fleet. This approach forms part of the successful relationships established with external funders to continue to deliver on priorities relating to the Climate Emergency. Fleet services have established plans to absorb the EV fleet from the trials scheme into operational usage, with them replacing end of life diesel vehicles. Use of the EV vehicles to replace outgoing diesel vehicles delivers efficiency savings to fleet as EV have a lower maintenance cost than internal combustion engine vehicles. The supplier has also agreed to provide a local authority discount that is in addition to the government plug in grant that is also discounted from the purchase price. This price as specified in the quote is comparable to similar makes and models in this category of vehicle with the advantage of its availability making this the recommended approach to secure these vehicles.

What are the legal implications?

- 3 This is classified as a Significant Operational Decision and has been referred to both the Chief Officer (Sustainable Energy and Air Quality) and the Director Resources. The Director is requested to approve the waiver of CPR 9.1 & 9.2 and purchase of the vehicles in line with existing processes for all fleet purchases to be approved by the Director.
- 4 There are no grounds for keeping the contents of this report confidential under the Access to Information Rules.
- 5 Awarding the contract direct to Toyota GB in this way could leave the Council open to a potential claim from other providers, to whom this contract could be of interest, that it has not been wholly transparent. In terms of transparency it should be noted that the Council should always consider whether contracts of this value should be subject to a degree of advertising in order to ensure that opportunities are made available to all potential contractors and that value for money is obtained. It is up to the Council to decide what degree of advertising would be appropriate. In particular, consideration should be given to the subject-matter of the contract, its estimated value, the specifics of the sector concerned

(size and structure of the market, commercial practices, etc) and the geographical location of the place of performance.

- 6 The Director of Resources has considered this and is of the view that the scope and nature of the services is such that the matter should not be advertised.
- 7 There is a risk of an ombudsman investigation arising from a complaint that the Council has not followed reasonable procedures, resulting in a loss of opportunity. Obviously, the complainant would have to establish maladministration. It is not considered that such an investigation would necessarily result in a finding of maladministration however such investigations are by their nature more subjective than legal proceedings.
- 8 Although there is no overriding legal obstacle preventing the waiver of CPR 9.1 and 9.2, the above comments should be noted. In making their final decision, the Chief Officer for Culture and Economy should be satisfied that the course of action chosen represents best value for the Council.

What are the key risks and how are they being managed?

- 9 A risk assessment has been undertaken and risk register has been developed as part of the development of the EV Trials services operations and actions.
- 10 No PIA is required to deliver this procurement exercise as no personal data is involved.
- 11 The key risk to procuring vehicles for the EV trials service is that they are not delivered within the funding timeframe or the lifespan of the service. As such this waiver seeks to mitigate the risks of not receiving vehicles within the funding and project delivery timeframe by requesting approval for the direct award.

Does this proposal support the council's 3 Key Pillars?

Inclusive Growth Health and Wellbeing Climate Emergency

- 12 This project directly supports the decarbonisation of transport and improvement in air quality in the city and through supporting business transition to electric vehicles that have lower total cost of ownership it also supports potential for economic growth. The transition to electric vehicle is a critical part of the response to the Climate Emergency.

Options, timescales and measuring success

a) What other options were considered?

- 13 Options for delivery of this project have been considered as above. In order to fulfil the objectives and timescales of the project as defined by National Highways there is no alternative option for procuring vehicles by differing methods. Fleet and the SEAQ team undertake regular engagement with vehicle providers and manufacturers as well as independent industry experts to ensure awareness of market offers and vehicle availability.

b) How will success be measured?

- 14 Success will be determined through successful delivery of EV trials and the transition of these vehicles to fleet services to support further transition of the corporate fleet to zero emission vehicles. EV Trials are monitored through use of telematics and as such data sets are available to demonstrate offset diesel emissions, as well as canvassing trial participants on their future uptake of EV's.

c) What is the timetable for implementation?

15 The vehicles will be deployed to the trial service between December 2021 and January 2022 and then transferred to fleet in April 2022.

Appendices

16 Supplier quotation

Background papers

17 None