

Report – Approval to award a contract to RLE International for the provision of wireless charging unit vehicle assembly and harnessing components in relation to Project AMiCc (Amicable Charging Research) on the grounds of lack of competition.

Date: 23rd November 2021

Report of: Sustainable Energy & Air Quality

Report to: Chief Officer, Sustainable Energy & Air Quality (Resources Directorate)

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

- The council has an ambition for all its fleet to comprise of zero or at least ultra-low emission vehicles (ULEVs) by 2025 as part of its target for Leeds to be Carbon neutral by 2030. It currently has a fleet of almost 350 electric vans and has an existing contracted supplier and installer of charge points to serve this fleet as approved by the Director of Resources.
- As the council continues to work to decarbonise transport in response to the Climate Emergency it is imperative that the council continues to reduce the emissions of its own fleet as well as identifying new opportunities to support the uptake of zero emission vehicles. This exemplar role also extends to innovation and demonstrating new technology.
- There is no current contract for the supply of vehicle components to facilitate the harnessing and internal workings of wireless charge units to vehicles and there is not a current commercial market for this technology, with this supplier providing the components required to build vehicle wireless technology with this not available as an 'off the shelf' purchase currently. The council - with the pre-existing approval of the Director - are a project partner in an Innovate UK project to trial this new technology. The external project lead undertook a procurement exercise to identify a supplier to award a supply contract for provision of the components, engineering materials and harnessing technology required to attached wireless charging units to vehicles based on best value, quality, and availability. As this is a new technology it is unique in that there is no established market and there is genuinely no competition, and as such a direct award is required in line with CPR 9.5. The quoted cost for the required vehicle components, harnessing and technology components is £131,146.30 with the cost being entirely covered by a grant from Innovate UK to cover the project costs to Leeds City Council.

- Approval has already been granted from the Director to purchase the vehicles for the project through a purchasing framework in a DDN dated 11th February 2021 and to authorise the direct procurement of charging infrastructure and vehicle technology when the supplier has been established and the costs confirmed through a Design Cost Report and DDN dated 30th September 2020.

Recommendations

The Chief Officer Sustainable Energy & Air Quality (Resources) is asked to:

- a. Approve the direct award of a contract to the identified supplier of electric vehicle component parts, harnessing and technology – RLE International - including the supply and delivery of the parts. Contract to be effective from 29.11.21 to 31st March 2022 and with a value of £131,146.30.
- b. Formally approve the award without competition in line with Contracts Procedure Rule 9.5 to reflect the unique supply chain in this case and lack of competition.

Why is the proposal being put forward?

- 1.1** The current and previous governments have made a policy commitment for almost every car and van to be a zero-emission vehicle by 2040 and that it will end the sale of all new conventional petrol and diesel cars and vans by 2030. It is also this Council's ambition that its fleet will totally consist of zero and ultra-low emission vehicles (ULEVs) by 2025, with a carbon neutral target for the city by 2030.
- 1.2** As with the development of the electric vehicle market, the development of the charging units to power these vehicles is developing and new technologies are becoming increasingly available. Innovate UK are supporting a number of trials of new technology in order to help develop new energy and charging models that will support the growing uptake of electric vehicles.
- 1.3** Leeds City Council is a partner in two such projects – one to trial vehicle to grid technology that utilises spare capacity in vehicle batteries to sell power to the grid, potentially offering a revenue stream and a method through which the national grid can be balanced using vehicles as mobile energy storage. This project is well progressed with V2G charge points installed at two LCC locations.
- 1.4** This second project aims to trial the ease of use of wireless charging. This is a new technology and is not widely available globally and no existing commercial market exists. As such the procurement exercise undertaken by the wider Innovate project team has sought to identify a supplier and provider of the vehicle components for this technology to support the delivery of this trial project and to identify opportunities to future proof, and support work to plan for the expansion of the plugged in fleet and build the infrastructure to support quicker, contactless electric vehicle charging through the wireless model.
- 1.5** A market test was undertaken to ascertain key risks and issues, costs and primary drivers within the industry with regard to obtaining Wireless EV charging infrastructure for both ground units and on-board charging technology and the associated technology, components and harnessing required to attach the charging to vehicles. There is no existing market for this technology and the project that is procuring this technology is acting within an innovation sphere. This supplier can provide the components required to build the new technology needed for the project. There is a need to ensure that the project objectives are met and as such the supplier is limited to RLE to meet the technology specifications. The key points highlighted through this market test to establish that RLE were the appropriate supplier were:

 - Utilisation of technologies that were cost effective but delivered the required two-way interaction between vehicles and ground installation units to facilitate contactless charge events.
 - The limited availability of such charging in a field that lacks competition and is one of innovation at this stage.
 - All project partners have been involved in the determination of the identified supplier, with academic, technical and commercial input provided across the project team.
- 1.6** The market testing exercise undertaken included a quality evaluation, identification of availability of the parts and technology required to fit the wireless technology to be purchased as well as of the suppliers ability to deliver to timeframes.
- 1.7** The council is receiving full funding from central government via Innovate UK for use to support this charging infrastructure trial project. A sum totalling up to £478,026 is provided to Leeds City Council to cover capital costs as well as installations, surveys, resource costs and associated travel costs as part of project delivery. This funding will be used to support the delivery of the technology being procured from this supplier. No internal funding is required to support this project delivery and no internal service provider is able to supply the required items. A design Cost report (DCR) detailing the project scheme was approved with a DDN dated 30th September 2020.

1.8 The cost of the contract reflects the quoted costs for the supply, and delivery of the required components to deliver this project. The installation will be delivered separately by AMiCc project partners and funded by Innovate.

What impact will this proposal have?

Wards Affected:

Have ward members been consulted? Yes No

- 2 This will not have a direct impact on a particular ward; however the project does support the broad ambitions of the council towards a net zero city by 2030 and the decarbonisation of transport.

What consultation and engagement has taken place?

- 3 Fleet services, property services and facilities management and the energy team have all been consulted with as part of the delivery of this project. Senior management have been appraised and updated on the AMiCc project and its aims as well as relevant members being briefed on the project. Consultation externally with BIES, Innovate UK, Industry bodies and academic institutions regarding the project has also been undertaken. Procurement and Commercial Services have been consulted on this report.

What are the resource implications?

- 4 Resource costs for delivery of this project are provided by Innovate UK in terms of staff resource and capital requirements. The capital assets provided by the project will belong to Leeds City Council, including the vans that will enter the fleet for operational use, supporting the broader transition of fleet to zero emission.

What are the legal implications?

- 5 This is classified as a Significant Operational Decision which is not subject to call-in. There are no grounds for keeping the contents of this report confidential under the Access to Information Rules. As only this particular supplier can supply this new technology, and there is genuinely no competition in this new market, a direct award is permitted under the provisions of Contract Procedure Rule 9.5 subject to consultation with Procurement and Commercial Services and the lack of competition formally evidenced and approved by the relevant Chief Officer before the contract is entered into.

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

- 6 A full risk assessment and risk register is being maintained as part of the delivery of the wider AMiCc project and the risks of this procurement exercise have been determined and detailed within that live document.

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

Inclusive Growth Health and Wellbeing Climate Emergency

- 7 This project directly supports the development of new technology being utilised in the city that supports potential for economic growth. The transition to electric vehicle uses also directly support the improvement of air quality and therefore health outcomes for citizens as well as supports the decarbonisation of transport which is a critical part of the response to the Climate Emergency.

Options, timescales and measuring success

a) What other options were considered?

- 8 Options for delivery of this project have been considered, with market evaluation undertaken to identify the supplier as well as that they can meet the project timelines. To fulfil the objectives of the project as defined by Innovate UK there is no alternative option for delivery of the projects objectives to build wirelessly charging vehicles by differing methods.

b) How will success be measured?

- 9 Success will be determined through academic and technical evaluation of the project by external project partners, including Warwick and Nottingham University and Innovate UK. Performance of the charging units, the vehicles, ease of use by the driver and the installation and operational processes will all be analysed and assessed to determine the success of the technology and the feasibility for this technology to be part of wider EV charging offers.

c) What is the timetable for implementation?

- 10 Vehicles will be retrofitted with the wireless charge units to be supplied separately utilising the components and technology being purchased as recommended in this report and will be deployed to vehicles in early 2022.

Appendices

- 11 Electrical Component Supply Quote(confidential)

Background papers

- 12 None