

## **RECORD OF DECISION MADE UNDER DELEGATED AUTHORITY**

### **PART 1 – PUBLIC DOCUMENT**

**SERVICE DIRECTORATE:** Regulatory

#### **1. DECISION TAKEN**

To award Blink Charging UK Ltd a concession contract for the provision, installation and on-going maintenance of Electric Vehicle Charging Points (EVCP) within the Council managed car parks. (Further Competition under Framework let by KCS Procurement Services Y21002 Electrical Vehicle Charging Points and Associated Services (Project Reference: NHDC202211-03)).

The estimated value of this concession contract is circa £2.44m (ex. VAT) over a 15 year period.

#### **2. DECISION TAKER**

Ian Fullstone, Service Director - Regulatory

#### **3. DATE DECISION TAKEN:**

12 September 2024.

#### **4. REASON FOR DECISION**

- 4.1 To accord with the Council's ambition to expand and update its current EVCP provision across the District as set out within North Herts Climate Change Strategy (2021-2026) Action Plan and reviewed in 2022 to enable carbon savings, which includes working with other public and private entities/partners.

#### **5. ALTERNATIVE OPTIONS CONSIDERED**

- 5.1 The provision of more electric car-charging facilities in Council car parks is listed under measures within North Herts Climate Change Strategy (2021-2026) Action Plan. As the Council has limited funds and in order to proceed with the installation of EVCP various grant opportunities and partnership arrangements were investigated.
- 5.2 A feasibility study was presented to Political Liaison Board (PLB) in December 2021 with a next Steps report in February 2022 setting out the various options to procure a partner and investigate various government funding options. PLB along with the then Executive Member and Deputy for Planning and Transport supported a phased approach to extending the EV charging network within the district, with phase 1 being an externally funded approach to install EVCPs across a number of car parks within each of the four towns and is the subject of this decision record. Phase 2 includes working with HCC under the government's LEVI funding program.
- 5.3 The only government funding mechanism available to support Local Authority procurement of EV charging Infrastructure at the time was the On-street Residential Charging Scheme, (ORCS). This Government funded scheme from OZEV (Office for

Zero Emission Vehicles) is administered by Energy Savings Trust on behalf of OZEV.

- 5.4 The ORCS fund would only supply up to 60% funding of the full costs of the Electric Vehicle Charging Infrastructure (EVCI) installations with the remaining 40% to be funded from either Council funding or private investment typically via a charge point provider.
- 5.5 Following discussions with the Energy Savings Trust, UK Power Networks, neighbouring authorities and after completing a soft market testing exercise with EV providers it became apparent that without additional funding from a charge point supplier or other external source, there would be a shortfall in available funding for the purchaser of the EVCI, i.e. the Council in this instance, if potential OZEV Grant funding alone is considered.
- 5.6 It was agreed by PLB, together with the Service Directors for Regulatory and Resources to proceed with an externally funded approach where the Council would apply for the ORCS funding and seek to procure a charge point operator through a match funding concession model, i.e. where the Council would offer the grant money, the use of its car parks and the supplier would provide, install and maintain the EVCPs. Officers were tasked with investigating various procurement options, for a matched funding concession model. (See paras 8.1 to 8.3 below)

## **6. CONSULTATION (INCLUDING THE EFFECT ON STAKEHOLDERS, PARTNERS AND THE PUBLIC)**

- 6.1 Given the provision of EV facilities in Council car parks was listed under the measures within North Herts Climate Change Strategy (2021-2026) Action Plan and remains a priority in the 2022 review of the Strategy, all members would have been consulted on the Council's Climate Change Strategy including being party to its approval at Full Council.
- 6.2 The Executive Member and the then Deputy Member, together with the current interim Executive Member (The Leader) for Planning and Transport have been consulted and kept informed throughout the procurement process.

## **7. FORWARD PLAN**

- 7.1 This decision is not a key Executive decision and has therefore not been referred to in the Forward Plan.

## **8. BACKGROUND/ RELEVANT CONSIDERATIONS**

- 8.1 Working together with the Procurement Team and Legal Services, officers within the Strategic Planning and Environmental Health Teams investigated various forms of procuring a match funded concession contract. This included:
  - Contacting and reviewing guidance provided by the Energy Savings Trust and Department for Transport for Local Authorities to consider when procuring EVCI which included a matched funding concession model.
  - Contacting neighbouring Districts and Boroughs, with the majority having used this approach for EVCI procurement based upon a combination of funding from the OZEV/ORCS fund with the remaining contribution from a chargepoint operator selected following a competition run through a dedicated Procurement Framework.
- 8.2 Various frameworks that include EV Charging Infrastructure were also investigated such as: CCS - Crown Commercial Services (UK Government Framework); NHS Framework, TPPL – The Procurement Partnership (with Links to Herts CC) and ESPO -Eastern Shires Purchasing Organisation, as these were not considered suitable in meeting NHC requirements for a concession type contract, it was decided

to work with the Kent (KCS) Framework (via Kent County Council). This is an EVCI Procurement Framework developed by the Local Authorities that would entertain concession contracts.

- 8.3 From the information gathered and seeking advice from the Council's Procurement and Legal teams it was agreed to conduct a mini competition through the (KCS) Framework, inviting proposals from various EVCP operators. This approach sought to ensure adherence to Regulation 18 of the Public Contracts Regulations 2015 and the selection of the most suitable supplier.
- 8.4 The mini competition through the KSC Framework ran from 29<sup>th</sup> November 2022 until 3<sup>rd</sup> January 2023. The tender included two Lots:
- Lot 1 - to provide new EVCPs for visitors and residents, in particular those who do not have off street parking, within the Council owned car parks within a Concession based contract meeting the Office for Zero Emissions Vehicles (OZEV) On-street Residential Charging Scheme (ORCS) funding requirements for 60% of the project capital costs, with the remainder being provided by the Concessionaire, and
  - Lot 2 - to transfer ownership and replacement of the Council's existing Electric Vehicle Charging Infrastructure (EVCI) in five of the Council car parks to the concessionaire as part of the contract.
- 8.5 It is to be noted that under Lot 1 in making provision for EV chargepoints to residential properties without off street parking and located within close proximity of a 24/7 accessible council car park where parking tariffs are free overnight, meets the ORCS funding requirements. The EVCPs can be accessible to all users during the car park tariff chargeable hours.
- 8.6 The evaluation of bids was conducted by an evaluation panel of four in accordance with the award/evaluation criteria stipulated in the promulgated procurement documents. Blink Charging UK Ltd, formally EB Charging Limited were awarded the contract in February 2023 based on their submission with a strong delivery and project management plan, and a clear focus on delivering a positive experience for end users.
- 8.7 This record of decision has been delayed due to:
- The Council waiting on the outcome of its ORCS grant application – which was confirmed in September 2023,
  - The charge point operator, Blink UK Ltd, waiting on confirmation from UK Power Networks on their Distribution Network Operator (DNO) connection installation programme,
  - The complex nature of the contract and the supplier EB Charging Ltd being taken over by an American company, Blink Charging Co incorporated during the procurement process. This has resulted in Blink Charging UK Ltd contract documents going through their American office and the time taken to respond to various requirements as set out in the agreed tender documentation to satisfy the Council in entering the concession contract, and
  - The need for the Council following legal advice to publish a Voluntary Ex-Ante Transparency Notice (VEAT) notice for transparency purposes to ensure compliance with the Public Contracts Regulation 2015. The Notice explained that in their response to the Further Competition, Blink submitted a variant bid aligned with the bid Specification documents. Their bid included a detailed feasibility study for Lots 1 and 2, with updated quotations from the DNO for electricity supply installations. In doing so, Blink has maximised the number of EV chargepoint sockets to 46 across eight sites, compared to their baseline bid of 32 sockets, offering enhanced capacity and service. The variant bid proposal served as the basis for the Council's successful

application to the OZEV ORCS fund, securing a £135,000 grant to support the initiative. The estimated value of the concession contract has increased from the initial tender value of £1.715m (ex. VAT) to £2.44m (ex. VAT) due to the expanded scope and additional benefits provided by the variant bid.

- The VEAT Notice was published on 27 August 2024 and was subject to a 10 day standstill period. No comments or challenges to the VEAT Notice were raised.

8.8 All requirements are near completion and officers are ready to move forward with the concession contract.

## **9. LEGAL IMPLICATIONS**

9.1. Section 14.6.4 of the Council Constitution provides delegation to service directors and states at section 14.6.4 (a) (ii):

*“Entering into contracts to carry out works and/or for the supply of goods and services within approved budgets (subject also to approval of the Service Director for: Customers in respect of software or hardware contracts). All may attest the fixing of the Common Seal to a contract or Deed;”*

9.2. The Council resolved to conduct a mini competition through the KCS Framework. This approach sought to ensure adherence to Regulation 18 of the Public Contracts Regulations 2015 (as amended) and the selection of the most suitable supplier.

9.3 A VEAT Notice was prepared under legal guidance and published on the Government Find a Tender Service to ensure transparency and adherence with the Public Contracts Regulations 2015 before finalising the contract award.

9.4 Legal are assisting Officers with the concession Contract and will ensure that the Contract is properly executed and completed.

## **10. FINANCIAL IMPLICATIONS**

10.1 The Council were successful in seeking £135,000 OZEV grant funding as match funding towards the installation of EVCPs under of Lot 1 of the concession contract. The Council is in receipt of 75% of the funding and the remainder will be paid upon completion of the installation of the EVCPs.

10.2 A capital budget of £100,000 has been set aside to assist with any additional match funding required under the contract mainly in the event that there is a default payment on the OZEV grant.

10.3 The provision, installation, back office requirements and on-going maintenance of the EVCPs under Lots 1 and 2 will be provided by Blink UK Ltd, who are match funding the remainder of the project costs. Other than officer time in project managing the process, legal support in preparing the contract and any lease documentation, which is covered by internal budgets there are no further costs to the Council.

10.4 This is a 15 year contract to enable the EVCP provider, i.e. Blink UK Ltd, suitable time to recover their costs through the sale of electrical power/energy to the end user. Given the grant money and lease of land within its car parks for the placement of the EV infrastructure and chargepoints to the concessioner, the Council will receive a 3% revenue share of the difference between the revenue received from chargepoint users and the cost to Blink of the electricity supplied. While the revenue will start to accrue immediately, it will take a few years to grow to a significant sum.

10.5 The Council's fleet vehicles will also be eligible for a 5% discount on the standard tariff at those chargepoints installed in the Hitchin Lairage and Letchworth Garden

Square multistorey car parks under this concession contract and potentially at Blink chargepoints across Hertfordshire.

- 10.6 Officers have negotiated a compensation cap as part of the contract documentation to cover the cost for any relocation or compensation charges to the Council in the event that the Council requires an EVCP to be removed, for instance to make way to planned development. The EVCPs being installed under this contract are within the Council's operated long stay car parks.

## **11. RISK IMPLICATIONS**

- 11.1 Good Risk Management supports and enhances the decision-making process, increasing the likelihood of the Council meeting its objectives and enabling it to respond quickly and effectively to change. When taking decisions, risks and opportunities must be considered.
- 11.2 Provision of EVCPs in the Council car parks is listed as a Corporate Risk relating to a key project in the Council Delivery Plan.
- 11.3 The current EVCPs in the Council's car parks are coming to the end of their life, are outdated and underutilised. The replacement of these chargepoints together with the new chargepoints will make them more accessible to the public across the 4 towns thereby improving customer experience.
- 11.4 Phasing the implementation of the EVCPs across the Council car parks together with a well-publicised public relations programme will seek to manage customer experience, thereby seeking to reduce the risk of negative public reaction.
- 11.5 A full implementation programme will be agreed with the supplier to ensure minimal disruption to customers using the car parks and loss of income to the Council during associated works.
- 11.6 There is the possibility of reputational risk to the Council, as users of these chargepoints in North Herts car parks will see the Council as being at least partly responsible if the quality of service is poor. A detailed Service Level Agreement, with Key Performance Indicators, reporting requirements, and a procedure for resolving breaches has been agreed with the concessionaire to mitigate such risk.

## **12. EQUALITIES IMPLICATIONS**

- 12.1 In line with the Public Sector Equality Duty, public bodies must, in the exercise of their functions, give due regard to the need to eliminate discrimination, harassment, victimisation, to advance equality of opportunity and foster good relations between those who share a protected characteristic and those who do not.
- 12.2 The contract includes the provision of at least one accessible EVCP within each of the car parks listed under the contract. The location chosen are within the car parks are within walking access to nearby residential properties along well illuminated and accessible routes.

## **13. SOCIAL VALUE IMPLICATIONS**

- 13.1. As the recommendations in the report relate to a contract above the EU threshold, Social Value has been considered. While social value was not a specific award criterion in the further competition, the environmental benefits and alignment with our sustainability goals ensure that this project delivers significant social value.
- 13.2. The installation and maintenance of Electric Vehicle Charging Points (EVCPs) naturally promote social value by reducing carbon emissions and encouraging the use of electric vehicles. This supports the Council's climate change strategy and offers a valuable public service by providing sustainable transportation options.

- 13.3. Additionally, the contract with Blink Charging UK Ltd ensures that all power used for the chargepoints will come from 100% renewable energy sources. This commitment is specified in the agreement where Blink Charging UK Ltd confirms the use of REGO-backed renewable sources from Octopus Energy, which includes solar, wind, and hydro power. This further enhances the social value by lowering the district's carbon footprint.

#### **14. ENVIRONMENTAL IMPLICATIONS**

- 14.1. Environmental Impact implications has been taken into consideration as part of the contract. This included incorporating an environmental impact quality criterion within the mini competition through the Framework. The following mitigation measures which meet NHC's environmental policies will be provided through the contract with Blink UK Ltd:

- Their installers hold Waste Carrier Licences, and all recyclable material will be disposed of in line with WEEE regulations
- Single use plastics are not utilised at any stage of production or installation process.
- For all chargepoints infrastructure and all power requirements during the delivery/management of the chargepoints network, all power used will be from 100% REGO backed renewable sources, via Octopus Energy. Octopus Energy delivers clean energy from several sources including solar/wind/hydro.
- All EVCPs are OZEV approved, and their processes comply with WEEE regulations and all environmental legislation.
- Blink will report on their sustainability/CO2 performance at regular reviews with the Council through the life of the contract.

#### **15. HUMAN RESOURCE IMPLICATIONS**

- 15.1 There would be no human resource implications other than requirement to project manage the implementation of the project and to ensure the performance measures are being met by the chargepoint operator through the life of the contract. This would be via agreed meetings.

#### **16. BACKGROUND PAPERS**


- 16.1 The following background papers are available on request:
- EVCI Feasibility Study August 2021
  - Political liaison Board Report 7<sup>th</sup> December 2021
  - Political liaison Board Report 18<sup>th</sup> February 2022

#### **NOTIFICATION DATE**

**13 September 2024**

Signature of Executive Member Consulted ...  .

Date 12 September 2024

Signature of Decision Taker .....  .....

**Please Note:** that *unless urgency provisions apply* EXECUTIVE decisions cannot be implemented until 5 clear working days have elapsed after the decision has been taken to allow for scrutiny call-in.

**Call-in does not apply to NON-EXECUTIVE DECISIONS. This is a NON-EXECUTIVE decision**