

## Cabinet

11 December 2018

### Procurement of Electric Vehicle Charging Infrastructure Concessionaire

#### Recommendation

That Cabinet approve the procurement of a concession contract for the provision of electric vehicle charging infrastructure for a period which may exceed ten years and authorises the Joint Managing Director (Communities) to enter into such contract on terms and conditions acceptable to the Joint Managing Director (Resources).

#### 1.0 Background

- 1.1 In November 2017, Cabinet approved the *Warwickshire Electric Vehicle (EV) Charging Infrastructure Strategy 2017 - 2026*: an addendum to the *Warwickshire Local Transport Plan 2011 - 2016*. The EV Charging Infrastructure Strategy's main purpose is to address air quality issues and to take a proactive approach in dealing with future EV charging infrastructure demand in Warwickshire.
- 1.2 One of the key policies within the EV Charging Infrastructure Strategy is policy *EVI1 - Provision and delivery of public EV charging points* that commits to working with the district and borough council's in Warwickshire to help deliver a network of EV charging infrastructure. This report outlines how this action could be delivered through the procurement of an electric vehicle charging infrastructure concessionaire and seeks approval for the procurement process to appoint a preferred supplier under a concession contract.

#### 2.0 The Warwickshire Context

- 2.1 Warwickshire has approximately 37 EV charging point locations however many of these tend to be in out of town locations. Only 4 public car parks in Warwickshire provide EV charging points. It is recognised that the current level of charging infrastructure in Warwickshire is not adequate to encourage a wholesale shift towards EV's from traditional petrol/diesel vehicles. The distribution of EV charging points across Warwickshire per location type is provided in the following table.

### EV Charging Point Locations

Location type	Number of EV charging points locations
Motor dealership	5
Retail centre car park	2
Railway station	4
Pub/hotel	13
Public car park	4
Petrol station	6
NHS site	0
Other	2
Total	37

- 2.2 Approximately 43% of households in the UK do not to have access to private off-street parking. This national picture is reflected in Warwickshire, with households, particularly in and around town centres unable to charge an EV at home.
- 2.3 The County Council therefore wishes to focus the installation of EV charging points in locations that are easily accessible to many and in areas where off-street residential parking provision is not available.

### 3.0 Proposed Approach to EV Infrastructure Delivery in Warwickshire

- 3.1 Installing EV charging infrastructure is expensive (current costs are averaging £10,000 per charging post), and therefore a substantial capital budget would be required to provide a meaningful level of infrastructure. In addition an ongoing revenue budget would be required to maintain the infrastructure to the appropriate standard. Only limited funding is currently available to Local Authorities to install EV charging points and this is inadequate to enable the County Council to provide a network of charging points.
- 3.2 Procuring a Supplier

It is therefore proposed that the County Council goes out to the wider market to procure a preferred EV charging infrastructure supplier under a concession contract.

The concessionaire will be required to provide the equipment/infrastructure/back-office requirements to facilitate EV charging by

members of the public. The cost of providing this infrastructure will be borne by the concessionaire who will be expected to recover these costs via the charges they place on the public for use of the equipment. This transfers the risk to the concessionaire in return for the opportunity to exploit the market potential.

3.3 The key benefits to Warwickshire of doing this include:

- Provision of consistent infrastructure across the County,
- WCC can retain a level of control over where charging points are located (some being subject to additional funding),
- Securing a long-term contract that can be utilised by the five Boroughs and District authorities,
- Potential to secure revenue income in the future, and
- Ability to secure a long-term supplier to lead the provision of infrastructure across Warwickshire.
- Financial Risk is transferred away from Warwickshire County Council.

3.4 Preliminary conversations have been held with representatives from companies at the forefront of charging infrastructure provision in the UK and beyond. These conversations indicate that the market has a strong interest in investing in Warwickshire under a concession contract arrangement. However, in order to achieve this, all suppliers have indicated they would require a minimum of a ten-year contract in order to enable them to recoup their investment and generate a profit margin. This length of contract is not unusual for contracts of this type and would enable the County Council to maximise the benefits of the concession.

3.5 It is anticipated, subject to the specification set out in the Invitation-to-Tender, that WCC will require the concessionaire to:

- Deliver and fully maintain EV charging points, where commercially viable, in public car parks and key on street locations at no cost to the County Council,
- Fully operate the charging infrastructure on a day-to-day basis including managing payment and back office functionality,
- Deliver EV charging points in locations where it is not commercially viable on instruction of the County Council. It is anticipated that WCC/Districts/Boroughs would fund such provision,
- Liaise with third party land owners in Warwickshire (e.g. supermarkets and retail parks) to secure the provision of charging infrastructure on their land, and
- Regularly review, and replace if appropriate the charging infrastructure to ensure that the technology is up to date and fit for purpose.

## 4.0 Timescales Associated with the Decision and Next Steps

- 4.1 It is anticipated that WCC will procure an EV charging point supplier in 2019 via a Concessions Contract. We will look to the successful concessionaire to begin the installation of the EV charging points once a Concessions Contract is in place.

## 5.0 Financial Implications

- 5.1 It is anticipated that the concessionaire will provide, install and maintain charge points. There will be no contractual commitment on WCC to pay for any of the infrastructure required for this contract. WCC would only incur costs where it chooses to purchase equipment via the contract to facilitate a particular need that may not otherwise be deemed commercially viable.
- 5.2 Funding for such purposes could be derived from a number of sources, for example; Members Delegated Budgets, the Districts and Borough Councils and successful funding bid applications. The Council will also seek to secure EV charging points in developments as required, or seek a financial contribution to enable to installation of a charging point in the vicinity.
- 5.3 Possible costs that may be incurred by WCC relate to required Traffic Regulation Orders, enforcement of use and any additional road signs required. These costs will be met from existing budgets.
- 5.4 The concession contract will explore the profit share potential to enable WCC to benefit from the potential success of the contract without incurring any risk.

## Background Papers

None

## Supporting Paper

Warwickshire Electric Vehicle Charging Infrastructure Strategy 2017 – 2026

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This report was circulated to the following elected members prior to publication.

Local members: N/A

Other members: Councillors Clarke, Cockburn, Fradgley, Butlin, Philips and Shilton