

Oxford's unique EV infrastructure procurement platform

Oxford City Council Tuesday 25 April 2023

Summary

Oxford City Council has simplified procurement of electric-vehicle (EV) infrastructure with a platform available free of charge to the UK public sector. Local authorities who use Oxford's 'EV dynamic purchasing system' (DPS) avoid having to tie up resources in this new and complex market. Since its launch in 2021, it has helped procure over £23 million. That equates to about 4,000 charge points to support the UK's target of at least 300,000 by 2030.

The problem

The surging uptake of electric vehicles and the introduction of ambitious decarbonisation goals are putting local authorities under pressure to quickly provide public charging infrastructure at scale.

Not enough resource in a fast-moving and complex market

From our conversations with other local authorities, many are concerned they have neither the expertise nor the resource to procure quality EV infrastructure. They tend to get lots of mixed-quality responses to tenders – sometimes just a brochure – which makes evaluation difficult and resource intensive.

Others have experienced failed procurements or suppliers that did not deliver the quality and value for money they had hoped. The new, fast-moving, and rapidly growing market, with its ever-changing business models, only compounds the problem.

Problems that public sector procurers face are:

- multiple technical solutions, installation methods, and regulatory and statutory standards
- myriad companies to build a seamless EV charging system

The urgency grew with the emergence of government-funded initiatives and a target for at least 300,000 charge points installed across the UK by 2030.

Supplier feedback was that public sector tenders are often resource intensive. Many suppliers find confusing criteria and requirements frustrating. This means it is mostly large companies with resource that respond to tenders. And in some cases, it leads to application costs being passed onto the purchaser.

Providing EV charging infrastructure is essential to EV uptake and to the UK meeting its Net Zero goals. Before the pandemic, transport accounted for 75% of NO2 emissions in Oxford. 50 tonnes of CO2 were emitted from the daily morning rush hour. EVs need to replace about 18,000 fossil fuel cars by 2026 to be on track to meet the city's zero carbon goals by 2030 alone. And this is in a region where EV sales are higher than the national average.

Other challenges: knowledge, stability, and guidance

Aside from the urgency at hand, there are other challenges. First, as with any new area involving technology, subject matter knowledge is essential for reliable procurement.

Second, all too commonplace in this turbulent market are acquisitions, takeovers, and companies going into administration. All at a time when legislation is struggling to keep up.

Third, there is not yet an established path for EV infrastructure procurement to follow. That's despite multiple stakeholders in the EV infrastructure lifecycle like consultants, installers, inspectors, and maintenance staff.

Procurement of EV infrastructure should not slow progress, but these complexities pose risks to its efficiency and reliability. To respond nimbly, local authorities need to procure and deploy solutions that are robust, readily available, and reliable.

The solution

We have created the 'Oxford City Council Electric Vehicle Dynamic Purchasing System' (DPS) to tackle the complexities of procuring in this market. It's free of charge to all UK public sector bodies and designed to give them access to a pool of pre-qualified suppliers.

It helps local authorities more quickly meet the targets in the <u>UK government's electric vehicle infrastructure</u> strategy.

Any public sector body using the DPS can:

- find a supplier for any stage of implementing publicly accessible EV charge points, from consultants to energy storage providers
- apply their own local requirements and standards
- award a contract in just 10 days for quality, long-term EV infrastructure
- compile documents easily with the help of optional DPS templates and guidance
- spend less on the costly legal input often required for major procurements
- be confident bidding suppliers meet stringent quality criteria to comply with statutory and regulatory needs

The DPS is particularly beneficial for local authorities without staff designated to EV infrastructure delivery or where EV knowledge is limited. A comprehensive user guide, contract templates, and evaluation process help speed up the process.

It's also compatible with the tools created by the government's <u>Local EV Infrastructure (LEVI) programme</u>. Our team sits on LEVI's procurement panel to help shape the tools and approaches.

Any tenders loaded onto the DPS will only be open to relevant suppliers. This helps to ensure that only good quality bids are submitted for evaluation.

Suppliers can easily assess their eligibility using a requirement checklist and go through a rigorous but straightforward application process.

A more accessible procurement process

The DPS has 9 types of service available, which buyers can procure individually. They are:

- turnkey services (that is, 'out of the box' services)
- installation and commissioning

- manufacturing
- · operation and maintenance
- inspection services
- roaming services (one payment method for use with multiple providers)
- consultancies
- EV energy storage solutions and capacity management
- · car club solutions

Procurement systems usually include several different services in one package, or 'lot'. With these 9 lots, each with a unique service, local authorities can quickly replace any service from a previous procurement that failed. They would not have to restart the whole process.

Driving local prosperity and social value

It is rare for a local authority to create a UK-wide solution. We used external EV and contract lawyers to ensure what we were creating was both fit for purpose and commercially attractive for suppliers.

But above all, for Oxford and many other local authorities, the need to drive local prosperity and social value is central to any procurement strategy. Suppliers of any size may apply to join the DPS, and its competitive selection criteria encourages innovation.

Ancerrelubrelectric vehicle with the canopy of a charging hub in the background.

Car-club charging bays are also delivered by the Oxford City Council DPS. Image credit: Oxford City Council and Ed Nix

Timeline

There were 2 important stages in the creation of the DPS: its origins in other projects and its development.

Origins

The DPS had humble beginnings in 2017 as a standard tender in the government's Go Ultra Low City Scheme project. We faced the same multiple complexities detailed in 'the problem'.

It became apparent we needed a new approach that had longevity. We set up a team of internal procurement specialists, internal EV technical and implementation experts, and external EV legal experts: the architects of the DPS.

We had already learned a lot from our involvement in the Go Ultra Low City Scheme and several high-profile EV projects like <u>Energy Superhub Oxford</u>. To devise a solution fit for purpose, we used this knowledge, surveys with the public, discussions with other local authorities, and market testing with suppliers.

Feedback suggested the DPS needed to:

- contain a contractually binding, comprehensive, and robust but fair set of standards and requirements for suppliers to meet
- make it straightforward for local authorities to write procurement and for companies big and small to apply
- devise a set of business models and accompanying contracts to enable a range of tender options

Development and launch

Work on the DPS started in May 2020 initially to meet our timelines for the next stage of our own EV infrastructure project. The expanded version for use by any UK public sector organisation went live in September 2021 with the first tender advertised in the same month.

The creation of the DPS amounted to over 6 months of resources between 3 working groups (see stakeholders). It took about 5 months to compile and a further 2 months of external legal review. It took another 3 months to be ratified through the council's own internal governance process. This ensured the solution was robust, legally thorough, and compliant with local authority rules and regulations.

The first time we used the DPS was to procure consultants to help us write Oxford's EV infrastructure strategy. Procurement started in November 2021 and took less than 2 months from writing the tender to the consultants starting work. It was at this point other local authorities started meeting with us to see if they could make use of it.

Over the latter part of 2021, we developed a user guide and process flow complete with contract options, including a concession contract, and templates. This was to ensure any public sector organisation could use the DPS with confidence.

Stakeholders

The project's 3 working groups were the:

- council's procurement team
- electric-vehicle specialists in the council's sustainable innovation team
- external experts in contract and EV law

It was overseen by the council's director of corporate services and finance director.

The project and governance were delivered using a multi-stakeholder EV project board. The board comprised both city and county council heads of services to ensure on-street solutions were compliant with highways standards and regulations.

The content of the DPS has been created using our teams' knowledge in EV infrastructure and experience in procurement and delivery. Our goal was to ensure a robust and reliable procurement route for all aspects of EV infrastructure. This was so solutions, once procured, would be as delivery ready as possible for other local authorities.

Impact

Although the DPS is in its infancy, it has already received a lot of attention. At the time of writing, it has run 11 procurements for 9 public sector bodies amounting to a total contract value of over £23 million. We have 36 suppliers (and counting) enrolled and 40 access agreements signed by public sector bodies.

This all amounts to about 4,000 public charge points procured to date. According to 2022 research by ZenAuto, there are 22 electric vehicles on the road for every public charge point. (Study finds there's one public charge point per 22 EVs). So, 4,000 chargers procured to date support 88,000 electric vehicles.

Analose-up of some wharging an electric car.

Deploying EV charging rapidly to meet UK government targets. Image credit: Oxford City Council

The DPS adds social value because it:

- has carefully curated requirements that make it accessible to start-ups and small businesses
- drives Net Zero into the procurement process by ensuring all EV suppliers use 100% renewable energy
- is always open for suppliers to enrol, allowing new companies with innovative solutions access to bid not possible in traditional frameworks.
- allows local authorities hoping to run a tender to recommend local businesses to enrol so, if successful, they can bid for the work
- creates a much more mature dialogue between local authorities and suppliers because it provides an
 opportunity to test new ideas and business models

It has also provided a platform for networking and for sharing insight, experience, and ideas. This kind of interaction in the ever-changing, ever-expanding, and highly technical world of EVs is invaluable.

For local authorities, it saves time, expense, resources, and stress. They don't have to start the procurement process from scratch in this complex market. And it helps prevent different councils from making the same mistakes by sharing good practice.

Supplier feedback is that it cuts down their application time without compromising quality. As a result, we have received only a handful of supplier queries, which demonstrates the DPS is appropriate and commercially attractive.

We have also gained our own insights and expanded our knowledge through this project. In the future, we hope to build on this.

Our team is proud of what we have built. The links between departments and the business relationships we have built have led to valuable opportunities. These include invitations to talk at conferences, be part of procurement forums, attend panels, and join discussion groups. These have allowed us to share updates, learn, and develop our skills, which motivate us in our work.

Testimonials

Barnet Council used the DPS to procure for the London borough's EV charging project EV500, funded by the UK government's on-street residential charge point scheme. The project included a turnkey solution to supply, install, manage, operate, and maintain 510 charge points installed across 34 residential streets.

Paul Bragg, Head of Network and Infrastructure – Street Scene, London Borough of Barnet, says: "We found the DPS easy to use, with lots of the key standards and compliance work already completed for us. This was advantageous as our tender writing could focus on our needs and so it was much quicker to compile. This really sped up the procurement process, which is particularly important when delivering a large project within a tight grant funding timeline."

Oxford City Council used the DPS to procure consultants to support the creation of our EV infrastructure strategy. From tender to award, the process took less than 2 months. This enabled the strategy to be ratified ahead of the next major EV procurement for the city and region.

Oxford Housing also used the DPS to procure car club charging for its new social housing developments. Housing Manager Debbie Haynes says: "The EV DPS ensured the team gained the right solution and a robust contract to deliver in tandem with development plans. This saved time, money, and resource for the housing team, the construction company, and the developer stakeholders."

Awards

We have won the Tomorrow's Procurement award for Innovative Procurement Project 2023 and are finalists for both LGC Awards and UK National GO Awards.

Lessons learned

We have 3 important recommendations for other local authorities that are creating a similar system.

1. Use checklists to make the process clearer

When creating a platform like the DPS, it's tempting to put everything into the initial tender pack. Instead, use checklists, appendices, and compliance tables to make it clearer and more digestible for suppliers to apply and for public sector organisations to use.

2. Be mindful of local requirements

When creating a platform like the DPS, ensure public sector organisations can include their local requirements in elements like contracts and standards. These requirements may come from corporate priorities, regulatory frameworks, or how they derive social value. And make sure the system can guide them through the process so

they can see how to include them.

3. Build in enough time to create the platform's structure

In all, it took about 18 months to compile the DPS structure. We market-tested the solution with suppliers and potential users guite late in the day, which meant many further changes.

We also had several changes from our legal team, which slowed down the process somewhat. It's important to build in collaboration early to avoid this.

But an unexpected benefit emerged here. We used an external legal firm to evaluate the DPS, which ensured a robust and independent view of what we had created. This gave gravitas to the DPS and confidence to our team that we had a quality and well-balanced product.

What needs to change to increase the impact of this type of project?

The UK needs a team of procurement, legal, and sector experts from public sector organisations to build solutions for those who don't have the resource. In other words, dynamic procurement solutions for local authorities, by local authorities.

Local authorities are under pressure to deliver more with less. That can lead to mixed results when crafting and running tenders for new or complex sectors where they may have limited knowledge or experience. Using the pockets of expertise at public sector organisations to create procurement solutions, open to all to use, will speed up the delivery of vital infrastructure.

The temptation is to regionalise or centralise solutions, but this overlooks talent and can lead to vanilla, one-size-fits-all solutions. Instead, the government could give public sector organisations the capacity to develop initiatives that will work for the benefit of all

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Oxford City Council made an initial investment of about £75,000 which comprised officer time and £15,000 in legal fees.

To fund the ongoing operation and maintenance of the DPS, suppliers who are awarded contracts pay a small rebate (currently 0.7%). To ensure the DPS is accessible for all companies, including SMEs, we collect this rebate at milestones and only once invoices are paid by the local authorities. These milestones are agreed with the supplier when they are awarded the contract.

Owing to the repeatable nature of procurement, we anticipate recouping the initial £75,000 investment through the supplier rebate fee.

Next steps

We intend to continue improving and expanding the process as much as possible to help other local authorities meet their EV and carbon emission-cutting goals.

We will continue to seek feedback from both suppliers and local authorities to modify the user guide and process flow when needed. It has fostered a real sense of community, trust, and openness to ensure improvements and approaches are shared and good practice ideas are promoted.

Our team is proud of what we have built. The links between departments and the business relationships we have built have led to valuable opportunities. These include invitations to talk at conferences, be part of procurement forums, attend panels, and join discussion groups. These have allowed us to share updates, learn, and develop our skills, which motivate us in our work.

Ongoing reviews

We have planned for our legal partner to review the DPS contractual content and format annually. This is to ensure it remains robust and complies with any new legislation (new procurement regulations, for example) that comes into force.

The technical standards are constructed in such a way that they remain future proof. But we will keep reviewing these too to ensure the DPS remains relevant and fit for use.

Links, contacts, and credits

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