

OFFICER DELEGATED DECISION 22 JUNE 2022

Report title: Shakespeare Road Depot Electrical Upgrade

Wards: Herne Hill and Loughborough Junction

Portfolio: Cabinet Member for Sustainable Lambeth and Clear Air: Councillor Rezina Chowdhury

Report Authorised by: Bayo Dosunmu: Strategic Director for Resident Services

Contact for enquiries: Mick Wynne, Head of Client-Side Capital, 07510921643
mwynne@lambeth.gov.uk

REPORT SUMMARY

This report seeks the approval of the award of a contract to UKPN to undertake works to upgrade the electrical infrastructure at the Shakespeare Road Depot. The existing supply is insufficient to provide the charging infrastructure required for the charging of electric vehicles and the upgrade works are essential in supporting the move from a diesel to electric vehicle fleet.

FINANCE SUMMARY

The cost of the scheme is £398,160, which will be funded from the existing Waste and Cleansing Fleet Replacement Programme project budget, which has a remaining budget of £3,190,002.

RECOMMENDATIONS

1. To waive contract standing orders 8.2 to directly award a contract to UKPN for the upgrade of electrical infrastructure at the Shakespeare Road Depot, for the period 8 July 2022 to 30 September 2022 for the sum of £398,160.

CONTEXT

- 1.1 The Council is committed to being carbon neutral by 2030. The fleet replacement programme has been developed to enable the Waste and Cleansing services to support this commitment through the phasing in of electric vehicles to the fleet to deliver these services.
- 1.2 The existing electrical infrastructure at the Depot is limited to 138kVA, which is insufficient to provide the electrical capacity requirements required for the EV charging infrastructure to facilitate the introduction of electric vehicles to deliver the waste and cleansing services.
- 1.3 To provide the capacity needed for the EV charging infrastructure, it is necessary to install two 1500kVA substations and associated infrastructure.

PROPOSAL AND REASONS

- 2.1 UKPN provided a quote for £427,305.12 for all works required to upgrade the supply to the Shakespeare Road Depot
- 2.2 The quote was made up of “non-contestable” and “contestable” works. Non-contestable works are those that must be undertaken by UKPN as the Distribution Network Operator. For works that are classed as contestable, a competitive procurement can be undertaken to appoint an Independent Connection Provider (ICP) to undertake these works.
- 2.3 As the value of contestable works was £398,160, the Procurement Strategy Report proposed seeking competitive tenders for this work through the use of the YPO DPS-925 Framework, which contained a list of 13 qualified ICPs. There was an expectation that this would provide a more competitive quote than UKPN’s, and the maximum budget was set at this value.
- 2.4 The tender pack was made available on 21 February 2022 through the YPO framework, with 2 submissions received by the deadline of 18 March 2022, with both returns assessed by the Evaluation Panel. Both submissions were priced in excess of the UKPN offer and unable to improve on UKPNs proposed programme.
- 2.5 As the DNO offer provides the most economically advantageous for the Council, it is recommended to make a direct award to UKPN and approve the contract value of £398,160, which will allow the installation of two new substations, trunk feeder unit and all associated off-site civils that are necessary to upgrade the electrical supply at the Shakespeare Road Depot.
- 2.6 As the competitive procurement took place for this ‘contestable’ work, resulted in only 2 bids, both of which exceeded the above quoted cost from UKPN, which also formed the cost maximum budget, the recommendation therefore seeks approval to award the contract to UKPN as a single tender waiver against their original quote, which still holds good.

FINANCE

- 3.1 This report recommends approval of a contract award to UKPN for the upgrade of the electrical infrastructure at the Shakespeare Road depot to support the future development of the vehicle fleet and the change to the use of electric vehicles, at a value of £398,160. The works will be

funded from the existing Waste and Cleansing Fleet Replacement Programme capital project budget.

- 3.2 There is currently £3,190,002 remaining in the Waste and Cleansing Fleet Replacement Programme budget, of which £1,000,000 has been approved for the development and installation of the necessary infrastructure to support the charging of the new fleet as set out in the approved CMDDR for the Fleet acquisition for new Recycling, Waste Collection and Street Cleansing Services Contract on the 3 August 2021.

LEGAL AND DEMOCRACY

- 4.1 The authority to enact this report's recommendation is delegated to the Strategic Director for Residents Services. Before exercising that authority, this paper should be reviewed by a category board.
- 4.2 The Contract Standing Orders includes provision for officers to waive the requirement to competitively tender contracts valued at £100,000 and above in circumstances such as urgency, the exigencies of the services, and / or where it is demonstrably in the Council's best interest to do so.
- 4.3 The statutory procurement regime applies to this tendering exercise by virtue of the Public Contracts Regulations 2015. Contracting authorities need only comply with the full rigour of the regulations if the estimated value of the contract is above the prescribed financial threshold. The threshold for works contracts is £5,336,937. For below threshold contracts, the Council's duty is to act reasonably and proportionately when advertising contract opportunities and evaluating the efficacy of awarding a contract to a particular provider.
- 4.4 Provisions in the Local Government Act 1988 oblige the Council to provide a written explanation to any person who has been excluded from a list of persons entitled to tender for work to the Council or has not been awarded work for which they tendered within 15 days of a written request to do so.
- 4.5 The Council's Constitution requires that all key decisions, decisions which involve resources between the sums of £100,000 and £500,000, and important or sensitive issues, must be published on the Council's website for five clear days before the decision is approved by the Cabinet Member or Director concerned (Constitution, Part 2, Chapter F). Any representations received during this period must be considered by the decision-maker before the decision is taken.

CONSULTATION AND CO-PRODUCTION

- 5.1 The council has engaged with residents and key stakeholders with respect to its emerging Waste Strategy review. The proposals to shift wherever possible to zero emission/clean fuel fleet has been welcomed and fully supports the Council's ambition to be carbon neutral by 2030 and the Mayor of London's environmental ambitions with respect to environmental performance standards.

RISK MANAGEMENT

- 6.1 The main risks that impede on the successful delivery of this procurement and contract are:

Table 1 – Risk Register

Item	Risk	Likelihood	Impact	Score	Control Measures	Risk Owner
1	Challenge from ICPs for award to DNO	1	4	4	The ICP tender undertaken via the YPO framework was fully compliant and includes terms for not accepting any tender, as signed for by both contractors in the Form of Tender	KR
2	Resolving lease issues causes delay to programme	2	3	6	Early engagement with Serco and Lambeth's Property Team over the area in the Depot that will be demised to UKPN	MW
3	Impact on services operating out of Depot	1	2	2	Operational teams already engaged, proposed location of substations minimising potential for adverse impact	MW
4	Covid 19 – risk of programme slippage if restrictions or additional lockdown measures implemented	1	4	4	Continue to monitor government guidance; construction activities have not been required to cease during the pandemic	MW

Key

Likelihood	Very Likely = 4	Likely = 3	Unlikely = 2	Very Unlikely = 1
Impact	Major = 8	Serious = 4	Significant = 2	Minor = 1

EQUALITIES IMPACT ASSESSMENT

- 7.1 This procurement has no potential to negatively impact on the protected characteristics.
- 7.2 An EIA was completed for the Waste and Cleansing Fleet replacement, approved on the 20 August 2019, which approved the proposal of replacing diesel vehicles with electric
<https://modern.gov.lambeth.gov.uk/documents/s107921/Appendix%201%20Fleet%20EIA.pdf>

COMMUNITY SAFETY

- 8.1 Needs to be considered by law (Crime & Disorder Act 1998, Section 17).

ORGANISATIONAL IMPLICATIONS

Environmental

- 9.1 The upgrade of the electrical supply at the Shakespeare Road Depot supports the move from using diesel vehicles to an electric fleet, directly contributing to the Councils target to be carbon neutral by 2030

Health

- 9.2 The phasing in of electric vehicles will have a significant positive contribution to the quality of air within the borough.

Corporate Parenting

- 9.3 Not applicable

Staffing and accommodation

- 9.4 Not applicable

Responsible Procurement

Good Quality Jobs with Fair Pay and Decent Working Conditions

- 9.5 As an organisation regulated by Ofgem, UKPN should have appropriate measures in place. The Council will be required to enter into a contract on UKPN's Terms and Conditions, but the Council will seek to incorporate its Responsible Procurement policies into the contract.

Quality Apprenticeships, targeted Employment for Lambeth residents and Lambeth Priority Group

- 9.6 The works are scheduled to take only 12 weeks. It is unlikely that UKPN will be in a position to appoint staff as a result of this contract, but the Council will seek to incorporate provisions within the contract to benefit Lambeth's people.

Reduce Emissions: Lambeth Council has a commitment to being Zero Carbon by 2030

- 9.7 As an organisation regulated by Ofgem, UKPN should have an appropriate Carbon Reduction policy and plans in place, but the Council will seek to ensure that this is the case.

Single Use Plastics

- 9.8 As an organisation regulated by Ofgem, UKPN should have an appropriate policy and plans in place which include single-use plastics, but the Council will seek to ensure that this is the case. E.g. proposals or provisions to eliminate packaging and consumption of single-use plastics.

Positive Health and Wellbeing

- 9.9 As an organisation regulated by Ofgem, UKPN should have appropriate policies and plans in place which promote positive health and wellbeing, but the Council will seek to ensure that this is the case.

Other Offers (Innovation)

- 9.10 The Council will seek to engage UKPN in its Responsible Procurement aims and objectives, with a view to securing a suitable commitment in community, financial or volunteering initiatives.

TIMETABLE FOR IMPLEMENTATION

- 10.1 The table below details the stages and deadlines for implementing the recommendations:

Activity	Proposed Date
Publication on Decisions online	14.06.22
Officer or Cabinet Member Decision	22.06.22

Commencement of Contract	July 2022
--------------------------	-----------

AUDIT TRAIL

Name and Position/Title	Lambeth Directorate	Date Sent	Date Received	Comments in paragraph:
Councillor Rezina Chowdhury	Cabinet Member for Sustainable Lambeth and Clear Air	14/06/22	14/06/22	Throughout
Bayo Dosunmu, Strategic Director	Resident Services	27.04.22	04.05.22	Throughout
Andrew Ramsden, Assistant Director of Finance – Resident Services	Finance and Property	08.04.22	11.04.22	Throughout
Michael O’Hora, Senior Contracts Lawyer	Legal and Governance	08.04.22	11.04.22	Section 4
Shyrina Rantisi, Democratic Services Officer	Legal and Governance	11.04.22	14.04.22	Throughout
Kevin Edger, Category Manager	Finance & Property	19.04.22	24.04.22	Throughout
Keith Robertson, Senior Procurement Officer	Finance and Property	08/04/22	08/04/22	Throughout

REPORT HISTORY

Date final report sent	05 May 2022
Part II Exempt from Disclosure/confidential accompanying report?	No
Key decision report	No
Date first appeared on forward plan	Not applicable.
Key decision reasons	Not applicable.
Background information	Waste and Cleansing Fleet Replacement, 20 August 2019 Fleet acquisition for new Recycling, Waste Collection and Street Cleansing Services Contract, 03 August 2021
Appendices	Appendix A – Equalities Impact Assessment

APPROVAL BY CABINET MEMBER OR OFFICER IN ACCORDANCE WITH SCHEME OF DELEGATION

I confirm I have consulted Finance, Legal, Democratic Services and the Category Board, and taken account of their advice and comments in completing the report for approval:

Signature: _____

Date: _____

Post: Mick Wynne
Head of Client-Side Capital

I approve the above recommendations:

Signature: _____

Date: _____

Post: Bayo Dosunmu
Strategic Director – Resident Services

Any declarations of interest (or exemptions granted): None

Any conflicts of interest: None.

Any dispensations: None