

Report to the Cabinet Member for Highways and Transport
Report submitted by: Director of Corporate Commissioning
Date 13 March 2017

Part I

Electoral Divisions affected:
(All in Lancaster)

Proposed Addition to the Capital Programme 2016/17 and Approval to Commence a Procurement Exercise for the Supply of Catalytic Regeneration Systems (Clean Bus Technology)

(Appendix 'A' refers)

Contact for further information:

Marcus Hudson, Tel: (01772) 530 696, Planning Manager,
marcus.hudson@lancashire.gov.uk

Executive Summary

It is proposed to add a project to the Transport Block of the Capital Programme for the supply of catalytic regeneration systems to a fleet of double decker buses operated by Stagecoach between Heysham/Morecambe and Lancaster University. The County Council has been awarded a grant by the Department of Transport for the full amount of the project of £288,150.

This report also sets out a recommendation to approve the commencement of a procurement exercise for Supply of Catalytic Regeneration Systems (Clean Bus Technology).

The procurement exercise will be undertaken by the Procurement Service in line with European Union (EU) Regulations, the County Council's Procurement Rules, and as outlined in Appendix 'A' to this report.

Recommendation

The Cabinet Member for Transport and Highways is asked to:

- (i) Approve the addition of the above project to the Transport block of the County Council's 2016/17 capital programme, for the amount of £288,150 to be fully funded by an external grant of the Department of Transport; and
- (ii) Approve the commencement of the procurement exercise as set out in Appendix 'A' of this report in respect of Catalytic Regeneration Systems (Clean Bus Technology).

Background and Advice

The County Council has been successful in its application to the Department for Transport (DfT) for a Clean Bus Technology grant towards reducing oxides of nitrogen (NOx) emissions from local buses. Working with Lancaster City Council and with a commitment by Stagecoach in Cumbria and north Lancashire, the County Council has been awarded the full amount in its application of £288,150.

The project proposes to equip 17 double deck buses with a SCR (Selective Catalytic Reduction) system and micro hybridisation including engine remapping. For diesel powered service buses that spend a lot of time in inner city congested traffic, this technology upgrade offers benefits of reduced harmful diesel engine emissions of nitrogen oxides and lower fuel consumption.

These 17 buses operate on the 2, 2A, 2X and 3 services operating from Heysham and Morecambe to Lancaster University. The buses provide a service every 10 minutes, and therefore a bus from these services travels round the Lancaster city gyratory every 10 minutes. These services represent the most frequent services impacting on the Lancaster Air Quality Management Area. The Lancaster gyratory is a cannyoned AQMA (resulting in emissions being poorly dispersed) which is significantly congested for much of the day, with traffic speeds similar to those experienced in central London.

Appendix 'A' sets out the details of the individual procurement exercise, and the basis upon which the Procurement Service proposes to carry out the process including:

- the description of the service being procured;
- the estimated annual contract value and the funding position;
- the contract duration; and
- the proposed basis for the evaluation of the tender submissions received.

As to delivering these improvements, following a successful procurement exercise, a period of fleet monitoring will take place to agree representative fleet vehicles measurements for fuel consumption and emissions. The engineering refit will follow over a period of 2-3 months (based on refitting 6 or more vehicles each month to maintain services). A comprehensive monitoring exercise will be carried out by the contractor, bus operator and Lancaster City Council to capture emissions and fuel data to determine emissions performance and fleet fuel savings.

Consultations

Relevant Heads of Service and key operational staff have been consulted in drawing up the proposals to undertake the procurement exercise included within this report.

Consultation is taking place with Stagecoach in the development of the tender documentation and specification requirements.

Implications:

This item has the following implications, as indicated:

Financial

The County Council has been awarded and has received the full amount of £288,150 in its application to the Department of Transport for this project. It is proposed to add this project to the Transport block of the County Council's 2016/17 capital programme.

Legal/Procurement

Failure to take steps to procure this contract would contravene the County Council's procurement rules and the Public Contracts Regulations 2015, exposing the County Council to risk of legal challenge. Furthermore, without the award of a contract, the County Council will be unable to spend the grant to which this procurement exercise relates.

It is intended that the Council conduct the procurement exercise for the catalytic regeneration systems as agent for the Bus Operator, Stagecoach, ensuring compliance with EU Procurement Regulations.

List of Background Papers

Paper	Date	Contact/Tel
Procurement Rules	July 2016	Dave Gorman/(01772) 534261

Reason for inclusion in Part II, if appropriate

N/A

Appendix 'A'

Cabinet Member Cabinet Member for Highways and Transport		
Procurement Title Procurement for the Supply of Catalytic Regeneration Systems (Clean Bus Technology)		
Procurement Option OJEU – Open		
New or Existing Provision New		
Estimated Annual Contract Value and Funding Arrangements £288,150. Funding has been awarded by the Department for Transport.		
Contract Duration The Contract will expire on completion of the required fitment and monitoring programme, it is envisaged that the contract length will be approximately 15 months from the commencement date which will be on or around the 1 st of June 2017.		
Lotting Not Applicable – Contract is for one off fitment of Catalytic Regeneration Systems to buses based in Lancaster and operated by Stagecoach		
Evaluation <table border="1" data-bbox="193 1072 1000 1128"><tr><td>Quality Criteria 70%</td><td>Financial Criteria 30%</td></tr></table> <p>Social Value will account for 5% of the quality criteria focusing on the following social value objectives; promoting training and employment opportunities for local people and promoting environmental sustainability.</p>	Quality Criteria 70%	Financial Criteria 30%
Quality Criteria 70%	Financial Criteria 30%	

Contract Detail

Lancashire County Council as the accountable body, working in partnership with Lancaster City Council and Stagecoach, submitted a bid application to the Clean Bus technology Fund 2015. The fund, administered through the Department of Transport, offered local authorities the opportunity to bid for grants of up to £500,000 to upgrade buses with technology to reduce emissions in areas of poor air quality.

A bid for £288,150 was submitted to the Clean Bus Technology fund at the end of October 2015. In December 2015 we were notified that the Secretary of State for Transport had considered the proposal and the full amount of £288,150 was awarded.

A key element of the application was to provide independently verified evidence that the technology proposed is able to achieve at least 50% NOx emission reductions from the tailpipe, under driving conditions that are representative of the normal operation of the vehicle.

Lancashire County Council is looking for a supplier to provide and fit 17 buses with new catalytic regeneration systems as a result of its successful application to the Department for Transport's Clean Bus Technology fund.

The buses are based in Lancaster and operated by Stagecoach.

As the funding is subject to State Aid Rules, the County Council, as the accountable body, will be conducting a fully compliant EU Procurement Exercise.