

# Nottingham City Council Delegated Decision



**Nottingham**  
**City Council**

Reference Number:

4573

Author:

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Department:

Growth and City Development

Contact:

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Subject:

Major Component Maintenance of BYD K9 / Optare Solo/Versa Electric Buses and Emergency bus hire 2022/23 - 2024/25

Total Value:

Up to £750,000 (Type: Revenue)

Decision Being Taken:

1. Delegate Authority to the Corporate Director for Growth and City Development to approve payment for out of warranty major component maintenance costs in relation to the city's electric bus fleet from the public transport repairs and maintenance budget up to a maximum of £700,000 for the period 2022/23 - 2024/25. 2. Approval to vary the linkbus and medilink contracts to allow for major component replacement to be arranged by the contractor, with costs reimbursed by the local authority, subject to approval by the local authority for any major component works or replacement. 3. Delegate Authority to the Corporate Director for Growth and City Development to approve emergency bus hire costs up to a maximum of £50,000, in the event that global supply chain issues or other factors delay the delivery of specialist parts for the electric buses.

**Reasons for the Decision(s)** Major components including batteries, powertrains and on-board chargers are now out of warranty. Replacement and repair of components over the lifetime of linkbus and Medilink contracts will be necessary to keep the fleet in full working order and is not covered in the cost of operational contracts which cover standard maintenance, servicing and legal inspections only. Whilst it is not possible to fully predict the cost of major component replacement over the coming 3 years a maximum of £700,000 is expected to be sufficient to cover all costs over the 3 year period. With the final position expected to be well under this maximum level of spend. Battery failure the most significant major component cost, based on current performance of the BYD buses and current battery capacities which have not degraded to any significant extent is not expected to be an issue over the next 3 years. Similarly battery replacement costs in the remaining Optare fleet are expected to be limited given that the battery capacity is currently sufficient to perform the required duty cycles and a number of the buses have recently received battery upgrades and replacement battery cells. Any works will be funded via Public Transport's existing repairs and maintenance budget and the allocation that has been determined as part of the MFTP is sufficient to meet the costs outlined in this report. Following the 3 year period outlined in this report, the buses will either be disposed as life expired, redeployed or the contracts will be let in different way, with the contractor providing the buses, in order to reduce the exposure to the council of maintenance costs. All major component replacement will be arranged and managed by the contractor under the existing contracts once varied, with costs reimbursed by the local authority subject to approval of any works by the contracts manager.

**Other Options Considered:** Not continue major component replacement across the electric bus fleet. This option was rejected as this work is necessary to ensure the electric bus fleet remains operational.

**Background Papers:** none

**Published Works:** none

**Affected Wards:** Citywide

**Colleague / Councillor Interests:** none

**Consultations:** Those not consulted are not directly affected by the decision.

**Crime and Disorder Implications:** none

**Equality:** EIA not required. Reasons: This decision has no equality implications

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| <b>Decision Type:</b>       | Portfolio Holder   |
| <b>Subject to Call In:</b>  | Yes  |
| <b>Call In Expiry date:</b> | 31/03/2022   |
| <b>Advice Sought:</b>       | Legal, Finance, Procurement  |
| <b>Legal Advice:</b>        | <p>The proposals in this report raise no legal issues and are supported.</p> <p>It is proposed to vary 2 existing contracts in order for the providers to assist the Council is ensuring the vehicles are sufficiently repaired and maintained. It is understood the vehicles are now out of warranty and so establishing an alternative method of maintenance is required. The providers under the contracts already have an obligation to undertaken day to day maintenance of the vehicles and so this additional requirement will be ancillary to that. Appropriate contract variation documentation will need to be put in place to reflect the additional requirements and financial costs for associated with it.</p> <p>Some of the vehicles are nearing their end of life and so the proposed approach beyond the 3 years that this DDM covers will need to be considered in advance to ensure there are suitable arrangements in place.</p> <p>The proposed variations are deemed permitted modifications in accordance with the Public Contracts Regulations 2015. Advice provided by Dionne Claire Screamon (Solicitor) on 16/03/2022.</p> |
| <b>Finance Advice:</b>      | <p>The 700k cost of maintenance for the electric bus fleet and 50k for emergency hire buses over 3 financial years, (22/23 to 24/25) Total £750k will be funded via Public Transport's existing repairs and maintenance budget. The allocation For electric bus maintenance has been determined as part of the MFTP is sufficient to meet the costs outlined in this report. Advice provided by Paul Rogers (Commercial Finance Business Partner (G&amp;D)) on 09/03/2022.</p>   |
| <b>Procurement Advice:</b>  | <p>This report proposes to vary 2 current contracts for the repair and maintenance of the BYD and Optarre fleet of buses' major parts and components now that the warranty period have expired. The decision to be taken if approved will be in compliance with our Contract Procedure Rules and therefore raises no significant procurement concerns. Advice provided by Paul Ritchie (Procurement Manager) on 16/03/2022.</p>  |
| <b>Signatures</b>           | <p>Rosemary Healy (Portfolio Holder Highways, Transport, Cleansing)</p> <p><b>SIGNED and Dated: 24/03/2022</b></p> <p>Sajeeda Rose (Corporate Director of Growth &amp; City Development)</p> <p><b>SIGNED and Dated: 22/03/2022</b></p>  |