

Nottingham City Council Delegated Decision



Nottingham
City Council

Reference Number:

3082

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Department:

Development and Growth

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Subject:

Enterprise Car Club Concession Renewal

Total Value:

£151,626 (Type: Revenue)

Decision Being Taken:

- 1) To approve the initiation of a tendering process, including 12 months soft market testing phase, for a new car club concession to be in place from May 2019 onwards.
- 2) To approve the extension of the existing car club concession with the current operator Enterprise Car Club until May 2019 to cover the interim period.
- 3) To approve the dispensation from Contract Procedure Rule 5.1.2 in accordance with Financial regulation (3.29) (Operational Issues) to allow the extension.
- 4) To approve the release of 35,000 Euro (approx. £32,000) of the Remourban grant funding for delivery of the Electric Vehicle (EV) element, to implement a car club vehicle within the study area in line with Amendment no.2 to Grant Agreement No.646411 dated June 2016.
- 5) To approve the allocation of up to £10,000 from NCC's Access Fund Grant award (approved at Executive Board in April 2017) for business travel support activities in 2017/18 and 2018/19 to fund a drive-time incentives package as part of NCC's new Workplace Travel Service, launched in November 2017.

Reasons for the Decision(s)

In December 2013 the Council let a concession following competitive tender to introduce a car club in Nottingham. A 3 year contract to provide and operate a car club service was awarded in May 2014. This tender period has now lapsed and approval is sought to initiate a tendering process including a 12-month soft market testing phase for a new car club concession.

The original car club model was developed to primarily provide a service aimed at City Centre businesses, but also available to local residents and visitors. The new car club concession should extend the service to benefit communities as well as businesses, providing affordable access to a bigger network of additional hire locations outside the City Centre and increased access to low emission vehicles. In order to fully explore the new model, a period of 12-month soft market testing is proposed, with a view to commencing tendering the new concession in early 2019 for contract award in May 2019.

Funding awarded to NCC as part of the Remourban Grant includes an allocation of 35,000 Euro (circa £32,000) for car club activities. This includes £15,000 for 24 months lease for a plug-in electric car in the Sneinton area, to be operated as part of the City's car club scheme between January 2018 and December 2019.

In order to provide continuity of service to existing car club clients (businesses and individuals), and to ensure the Remourban vehicle is introduced as soon as possible to enable the City Council to meet its Remourban project monitoring commitments, it is proposed to extend the existing car club concession to cover the interim period until a new concession is let.

Enterprise has provided a reliable service under the previous concession and continues to operate in the City. They have established a good customer base to continue operation until the requirements for a new car club model have been confirmed. Extending the concession will enable the delivery of additional preferential business and customer rates, which have been agreed with Enterprise in principle, and to support the objectives of the Access Fund and Go Ultra Low City (GUL) programmes. In particular, this will enhance the Household Personalised Journey Planning (PTP) offer to citizens to be launched in Spring 2018 and will form part of our local business travel support offer through the Workplace Travel Service launched in November 2017 (Access Fund grant allocations supporting these projects were approved by Executive Board in 18 April 2017).

The overall value of this decision is £151,626 consisting of £42,000 of external grant funding (£32,000 Remourban funding and £10,000 Access Fund), with the balance being the estimated value of extending the concession with Enterprise until May 2019. This is a commercial service, and the risk for generating this income sits with Enterprise as the Car Club operator. Through the previous concession there was a small revenue income stream to NCC through the vehicle permit fees at £200 per annum per car club vehicle plus RPI generating circa £2,500 per annum.

Briefing notes documents:

Car Club Concession Renewal - Table outlining decision value.pdf, Additional Background Information - NOT FOR PUBLICATION.pdf, REMOURBAN_D3.7 - NOT FOR PUBLICATION - Section 6.8_ Car Club.pdf

Other Options Considered:

Do minimum:
 As a minimum, a legal agreement permitting use of the designated on-street bays is required setting out the vehicle permit fees for Enterprise to continue to operate from the designated car club bays in the City. However, in the absence of a contract extension, we would be unable to deliver the Remourban vehicle in Sneinton. Failure to deliver this element of the programme would risk a loss of the £32,000 of Remourban funding. The City Council has a strong reputation for the delivery of local transport schemes, and failing to deliver this scheme may damage the Council's reputation, and jeopardise future funding opportunities. Without a concession extension in place the City Council would also not be able to offer and preferential car club membership deals for City residents.

Retender as a new concession now:
 This option does not allow time for any soft market testing to be undertaken. The soft market testing stage would ensure that the most appropriate car club model is being delivered under the new concession so that the new concession can be structured to take full advantage of the latest ultra low emission vehicle technologies, including the public charging infrastructure being delivered as part of the Go Ultra Low City programme.

The Remourban grant has been awarded for a defined period until December 2019 and the time required for the tendering process will significantly delay the implementation of the electric car club vehicle, reducing the funding that the City Council is eligible to claim.

Background Papers:

Published Works:

DD1224 dated 6th January 2014 approved award of a 3 year car club concession to City Car Club (now Enterprise Car Club) following a competitive tender process.

DD1797 approved in January 2015 gave approval to accept the Remourban funding.

DD1929 dated 9th April 2015 approved CarPlus grant award to expand delivery of the car club project including providing funding contribution to lease costs for 5 additional car club vehicles.

NCC Executive Board dated 18th April 2017 approved DfT Access Fund grant allocations including 3 year allocation for workplace travel support services from 2017/18 to 2019/20

Affected Wards:

Citywide

Colleague / Councillor Interests:

Dispensation from Financial Regulations:

Yes

Consultations:	Those not consulted are not directly affected by the decision.
Crime and Disorder Implications:	All car club vehicles are fitted with GPS tracking devices, and are insured by the operator of the scheme. Potential issues for personal safety and opportunity for crime will be considered as part of the installation process for any new vehicle locations if introduced.
Equality:	Please login to the system to view the EIA document: Car Club Concession Renewal DDM - EIA - 171205.pdf
Social Value Considerations:	The car club incentives will help to tackle poor air quality and improve transport choices in areas of low car ownership.
Decision Type:	Portfolio Holder
Subject to Call In:	Yes
Call In Expiry date:	28/02/2018
Advice Sought:	Legal, Finance, Procurement, Equality and Diversity
Legal Advice:	This report does not raise any significant legal issues. The contract will be awarded as a concession where the Car Club will earn revenues from Car Club members. The value of the concession contract to the Car Club is below the financial threshold in the Concession Contracts Regulations 2016 and therefore a direct award is permissible. Advice provided by Andrew James (Team Leader Contracts and Commercial) on 06/12/2017.
Finance Advice:	The total cost of £151,626 over 2 years is due to be met as follows: £32,000 Remourban funding £10,000 Access funding £90,000 income from private business £19,626 income from NCC participants in the scheme. Should insufficient income be made from the scheme this is not NCC's liability and the risk sits with the operator Enterprise. Advice provided by Susan Tytherleigh (Senior Finance Manager) on 15/12/2017.
Procurement Advice:	Approval to dispense with Contract Procedure Rule 5.1.2 in accordance with Financial Regulation (3.29) (Operational Issues) to allow for extension to the current agreement until May 2019 is required and procurement supports this recommendation to allow time for a review of the requirements and reshape our specification as a result of the reviews. Advice provided by Paul Ritchie (Lead Procurement Officer) on 12/12/2017.

**Equality and Diversity
Advice:**

The proposal offers opportunities for access to vehicles that meets both the needs of the citizen and the Council and careful and consistent monitoring should be a cornerstone to roll out and implementation to ensure that marginalised citizens (e.g. disabled people) receive the best service possible and the benefits to which the scheme specifies.

Advice provided by Adisa Djan (Equalities and Diversity Consultant) on 06/12/2017.

Signatures

Sally Longford (PH for Neighbourhood Services & Local Transport)
SIGNED and Dated: 16/02/2018
David Bishop (Deputy CE, CD for Development and Growth)
SIGNED and Dated: 05/02/2018
Theresa Channell (Head of Corporate and Strategic Finance) - Dispensation from Financial Regulations
SIGNED and Dated: 20/02/2018
Chief Finance Officer's Comments: