

Nottingham City Council Delegated Decision



Nottingham
City Council

Reference Number:

3264

Author:

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Department:

Development and Growth

Contact:

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Subject:

Purchase of purpose built Ultra Low Emission Taxis

Total Value:

176,500 (Type: Capital)

Decision Being Taken:

1. To approve the receipt and allocation of £176,500 from the DEFRA Early Measures Fund to purchase three London Electric Vehicle Company (LEVC) purpose built Hackney Carriages;
2. To approve dispensation, from Contract Procedure Rule 5.1.2 in accordance with the Council's Financial Regulation 3.29, to award a Contract to Paul Rigby Ltd for the purchase of the vehicles;
3. To delegate authority to the Corporate Director for Development and Growth to award and sign a contract with Paul Rigby Ltd.

Reasons for the Decision(s)

In February 2017, the council launched its Hackney Carriage and Private Hire Vehicle Strategy, which includes a target of transitioning a minimum of 40% of the Hackney Carriage fleet to Zero Emission Capable (Ultra Low Emission) vehicles by 2020. A new Age and Emissions Policy, which came into effect in January 2018, will only licence either Euro 6 diesel or ULEV vehicles from 2020.

Nottingham is one of five original cities named by the Department for Environment, Food and Rural Affairs (DEFRA) as showing exceedances in nitrogen dioxide levels above legal limits. The council is under Ministerial Direction to develop a local plan to achieve compliance in the shortest possible time.

In a successful £1m Early Measures bid to DEFRA, an allocation of £370,000 was made towards purchasing a number of ULEV taxis. The funding award was approved in the Medium Term Financial Plan 2018/19 - 2020/21 in February 2018.

The council is proposing to seek dispensation from financial regulations in order to expedite the purchase of three London Electric Vehicle Company (LEVC) electric taxis. The LEVC taxis are the only purpose built electric Hackney Carriages manufactured and available in the market to purchase. The council wishes to purchase the taxis from Paul Rigby Ltd, the Midlands LEVC dealer, based in Birmingham. This supplier is the nearest local dealer to Nottingham which is why they have been chosen, making the service, maintenance and aftercare for the vehicles simpler. The supplier has already provided all four LEVC vehicles currently operating in Nottingham to local drivers. The remaining funds from DEFRA will be used to support other elements of the taxi project.

Other Options Considered:

Option 1. Do nothing. This option was rejected. The council is under Ministerial Direction to achieve air quality compliance in the shortest possible time. This option was rejected as the opportunity to utilise the external grant to help meet our clean air plan objectives would be missed and not delivering the project would significantly damage the council's reputation.

Option 2. Competitive procurement. This option was rejected. There are 16 months until the age and emissions policy requiring Euro 6 diesel or ULEV vehicles from 2020, comes into effect. The order book waiting time for vehicle delivery is three months. Commencing a competitive procurement would take at least six months therefore severely constraining the period for drivers to understand the ULEV vehicles operational performance to inform their decision as to whether to purchase one or not.

Background Papers:

Published Works:

Medium Term Financial Plan 2018-2021
 Hackney Carriage and Private Hire Vehicle Strategy 2017-2020
 Nottingham City Council Age and Emissions Policy

Affected Wards:

Citywide

Colleague / Councillor Interests:

Dispensation from Financial Regulations: Yes

Consultations:
Date: 25/07/2018
Other:Taxi trade unions (Unite and Federation)
Trade representatives support this initiative.

Those not consulted are not directly affected by the decision.

Crime and Disorder Implications: N/A

Equality: EIA not required. Reasons: The proposal will see the purchase of three alternatively fuelled vehicles. There are no significant benefits or disbenefits to the protected equality groups.

Social Value Considerations: N/A

Decision Type: Portfolio Holder

Subject to Call In: Yes

Call In Expiry date: 26/09/2018

Advice Sought: Legal, Finance, Procurement

Legal Advice:
The proposals in this report raises no significant legal issues and are supported.

The purchase of the vehicles directly from the local reputable supplier Paul Rigby Limited will provide the Council with a swift and compliant procedure for acquiring the vehicles, which are intended to support the Council's obligation to comply with the Ministerial Direction of nitrogen dioxide reduction in the City in the shortest time possible.

Legal services will assist colleagues with the purchase as required.

Advice provided by Dionne Claire Screatton (Solicitor) on 15/08/2018.

Finance Advice:

Following the approval of this decision the capital programme will be updated as appropriate.

Transport and Traffic Section are required to ensure that all grant conditions are satisfied.

This decision seeks approval to commission CRL Limited to deliver works up to the value of £0.170m. In commissioning Paul Rigby Limited to procure the vehicles, dispensation from contract procedure rule 5.1.2 is required under financial regulation 3.29 for operational reasons.

The approval with regards to the operational aspects of this project is to follow in due course.

Advice provided by Tom Straw (Senior Accountant - Capital Programmes) on 20/08/2018.

Procurement Advice:

Approval to dispense with Contract Procedure Rule 5.1.2 in accordance with Financial Regulation (3.29) to allow for a direct award of a contract for the purchase of 3 off electric vehicle hackney carriages is required.

Due diligence has been carried out on the supplier to ensure that the appropriate types and levels of insurance and financial standing are in place to support the purchase.

Advice provided by Paul Ritchie (Lead Procurement Officer) on 14/08/2018.

Signatures

Sally Longford (PH for Energy and Environment)
SIGNED and Dated: 18/09/2018
Chris Henning (Corporate Director for Development and Growth)
SIGNED and Dated: 14/09/2018
Laura Pattman (Strategic Director of Finance) - Dispensation from Financial Regulations
SIGNED and Dated: 29/08/2018
Chief Finance Officer's Comments: