

Cabinet Member for Transport and Assets - Cllr Tamara Reay

Assets

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Reference: TA-07-24

Contract Award – Future Motors

Purpose of Report

1. To request Cabinet Member approval to award a contract for the supply and install of Turntide Technology motors to Future Motors Ltd, following an extraordinary exemption approval process.
2. This contract has a value of up to £1.4m, and will be delivered over the next 5 years. The technology will be retrofitted to high energy using equipment at multiple sites owned and run by the council and will provide energy savings on the running costs at those sites.
3. A pilot project already carried out at 2 council sites showed savings of 20% on the energy used to run the motors in the equipment.

Relevance to the Council's Business Plan

4. This work will support the council's business plan vision to 'lead the way in how councils and counties mitigate the climate challenges ahead', by reducing energy used by the council and therefore reducing carbon emissions that are a key contributor to climate change.
5. It will support the council business plan missions to:
 - take responsibility for the environment, and
 - help progress the council's journey on the path to carbon neutral (net zero).
6. It will do this specifically by:
 - Assist the council to have a smaller carbon footprint.
 - Preparing the county for the impact of climate change.
 - Investing in assets to support our lowering carbon output.
 - Finding cost effective solutions to operate the council's buildings as carbon neutral.

Background

7. The programme of work that this contract will support forms part of the Property Carbon Reduction Programme, which aims to reduce energy and carbon across the council's operational estate by investing in energy and carbon saving technologies. This programme is key to achieving a carbon neutral council by 2030, as buildings are the main contributor to the council's carbon footprint.

8. Over the past 3.5 years, the programme has addressed "quick win" projects such as LED lighting and solar panels. The focus has now shifted to bespoke solutions for high-energy-use buildings, including HVAC energy efficiency improvements, such as Turntide Technologies switch reluctance motor and controls system.
9. The proposed technology is unique and innovative with no proven equivalent in the market, being patented to Turntide Technologies for the next 12 years. Future Motors Ltd are the exclusive distributors of this technology in the UK and Europe. All installations of the Turntide Motor and Control Units are either directly carried out by Future Motors Ltd or by their authorised subcontractors. As the sole authorised distributor, Future Motors possess the necessary expertise, certifications, and access to proprietary technology required for the supply, design and installation.

Main Considerations for the Council

10. The main points to be taken into account in arriving at a decision are as follows:
 - a. The installation of these motors will help to meet the carbon targets of the council.
 - b. The installation of these motors will help to meet the MTFS (2025/26) target for the council.
 - c. Due diligence has been carried out to seek any equivalent products in the market and none have been identified.
 - d. Procurement Board have reviewed the exemption request and given approval.
11. If awarded, this contract will provide a new avenue of energy saving measures to be rolled out across the council's high energy using buildings. The capital funding for this work is already available through the PCR budget. The impact of this motor contract will assist the council to make savings on utility budgets and thus meet the MTFS target set for the service.

Overview and Scrutiny Engagement

12. No engagement has taken place, as this is deemed to be an operational decision and Procurement Board have already examined and approved the legitimacy of the request.

Safeguarding Implications

13. There are no implications for Safeguarding. The contractor will never have unsupervised access to children or vulnerable adults. The standard safeguarding procedures apply as for all contractors working on behalf of the council in council buildings.

14. Public Health Implications

There are no Public Health implications.

Procurement Implications

15. Procurement Team involvement has been extensive. The exemption request was developed under the supervision of a Procurement Officer lead and was examined and approved by Procurement Board.

Equalities Impact of the Proposal

16. There are no equalities impacts of this proposal.

Environmental and Climate Change Considerations

17. This proposal will support the council to reduce its carbon emissions and assist towards the carbon neutral target for council's own operations. The work that is proposed in the contract will reduce the amount of energy the council uses to run its buildings. There are no environmental risks associated with the work.

Workforce Implications

18. There are no workforce implications, this is a discrete one-off contract for supply and installation of a specific piece of equipment in multiple sites.

Risks that may arise if the proposed decision and related work is not taken

19. Risk of continuing to use higher amounts of energy and of failing to achieve the MTFS target in 2025/26 and later.

Risks that may arise if the proposed decision is taken and actions that will be taken to manage these risks

20. Risk of challenge to the decision to exempt the award of contract. This has been mitigated by the research carried out to try to source alternative products and suppliers where none have been found.

Financial Implications

21. The Head of Finance was part of the Procurement Board decision to approve the exemption. The work will support the ongoing energy efficiency programme, of which a budget is already available for capital investment. The cost of the work carried out under the exempted contract is estimated to payback within 6 years.

Legal Implications

22. Legal services were consulted during the development of the exemption request report, and Head of Legal was part of the Procurement Board that signed it off.

Options Considered

23. The alternative option was to carry out a full tender for the contract. This was considered in detail and work was underway to go down that route. However, during the process, it became apparent that no alternative product could be identified, and there was only one supplier of the product in the UK and Europe. Any identified installers were found to be subcontracted by the supplier having been trained/

accredited by the supplier to carry out the install. It was therefore deemed a poor use of resources to continue with that process and thus the exemption route was sought.

Conclusions

24. That the most effective and efficient route to awarding this contract is through an exemption process. This will not put the council at risk of challenge and will enable the council to achieve energy and cost savings once the work has been done.

Proposal

25. To delegate approval and award of the contract to Future Motors Ltd, including any associated documents, to the Director, Assets, in consultation with the Cabinet Member for Transport and Assets.

James Barrah - Director, Assets

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Appendices

None

Background Papers

None