

COMMITTEE	Enterprise, Strategic Planning & Infrastructure
DATE	4 th September 2014
DIRECTOR	Gordon McIntosh
TITLE OF REPORT	H ₂ Aberdeen - Hydrogen Vehicle Fleet
REPORT NUMBER:	EPI/14/249
CHECKLIST RECEIVED	Yes

1. PURPOSE OF REPORT

Aberdeen City Council has been awarded additional external funding from Transport Scotland to deploy a number of hydrogen vehicles within the City which supports the City Regions Hydrogen Strategy Framework. This funding is only available for financial year 2014/15 and therefore must be spent by March 2015.

The purpose of this report is to ask Committee to approve this expenditure whilst waiving normal procurement procedures due to both the specialist nature of these vehicles and the time restriction imposed by this unique funding arrangement.

2. RECOMMENDATION(S)

It is recommended that the Committee:

- Approves the expenditure to purchase up to 10 hydrogen plug in fuel cell electric vehicles with an estimated expenditure of £366,000. It is noted that the cost of 5 of the 10 hydrogen plug in fuel cell electric vehicles will be purchased by the Council as part of normal fleet replacement (an estimated £71,000) with the balance coming from the external funding source (an estimated £295,00);
- Approves the estimated expenditure of £250,000 for up to 2 Hyundai ix35 fuel cell electric vehicles from external grants with no cost to the Council;
- Approves to waive normal procurement procedures due to the highly specialised equipment and the time restriction imposed by this funding offer (there is currently only one company which we are aware of which is offering range extended hydrogen vans commercially and only Hyundai are currently offering hydrogen fuel cell passenger cars commercially).

3. FINANCIAL IMPLICATIONS

Transport Scotland has offered Aberdeen City Council funding for financial year 2014/15 to deploy up to 10 HyKangoo vans for use within the council fleet. Aberdeen City Council will contribute the normal price for 5 electric hybrid vans as part of normal fleet replacement whilst the external funding will contribute for an additional 5 electric hybrid vans and 10 fuel cell range extenders.

Purchasing the HyKangoo vans will be priority however if the external funding allows, there may also be the opportunity to secure up to 2 Hyundai ix35 fuel cell passenger cars on lease for 4 years which will be partly funded by Transport Scotland and CoWheels car club. The estimated lease price is subject to on-going negotiations.

It is intended to deploy these ix35s within the City's car club to act as a highly visible, publicly accessible hydrogen vehicle. There will be very few of these launched within the UK market in 2015 therefore it would be a UK first for Aberdeen City Council to deploy one within the City's car club.

4. OTHER IMPLICATIONS

Advice has been sought from the legal department in regards to waiving normal procurement procedures and procuring the items directly from SymbioFCCell and Hyundai and the associated risk of not following these procedures has been considered.

There is a risk of challenge arising from direct award raised by other companies that can provide this specialised vehicle. This challenge is mitigated but not reduced to zero due to the fact that this is a specialised market and there is only one company which we are aware of that can provide these specialised vehicles.

The purchase of hydrogen vehicles will support the reduction of emissions from operational fleet in line with the Council's Carbon Management Programme.

5. BACKGROUND/MAIN ISSUES

Aberdeen City Council has a strategic aim to position the city as a leading energy city, by attracting innovative renewable energy developers to the city. Hydrogen is an important opportunity here.

The strategic hydrogen programme, H₂ Aberdeen helps to promote Aberdeen as a globally significant innovator in energy technologies. The 2020 Strategy Framework – A Hydrogen Economy for Aberdeen City Region, outlines this vision and high level actions to ensure Aberdeen is a world-class energy hub leading a low carbon economy and at the forefront of hydrogen technology in Europe.

One such high level action is to support the take up of hydrogen technologies including further deployment of vehicles in order to support and develop the City's hydrogen refuelling infrastructure.

To date, 10 fuel cell electric buses and 2 hydrogen hybrid transit vans have been delivered to the City as demonstration vehicles.

The Council has been offered additional funding from Transport Scotland to increase the roll out of hydrogen vehicles supporting the aims of the City's strategic hydrogen programme. With this additional funding it is proposed to purchase a combination of hydrogen vehicles primarily Renault HyKangoo vans for deployment within the Council's fleet.

The Renault HyKangoo vans are electric vans with a hydrogen fuel cell range extender which essentially doubles the driving range compared to a standard

electric vehicle, with zero exhaust emissions, making it ideal for fleet operations within the City.

6. IMPACT

Corporate – Smarter Environment, Smarter Economy and Smarter Mobility: H2 Aberdeen is about supporting new technologies for a low carbon transport economy and enhancing the competitiveness of the City Region.

Public – This external funding opportunity will provide Council fleet vehicles and is therefore unlikely to be of public interest however if the external funding allows, there may also be the opportunity to secure up to 2 Hyundai ix35s which will be deployed to the City's Co-wheels car club which is more likely to be of public interest.

7. MANAGEMENT OF RISK

Advice has been sought from the legal department in regards to waiving normal procurement procedures and the associated risk of not following these procedures has been considered. The risk of challenge because of a direct contract award is not considered as a significant risk as there is only one company that can provide this specialised vehicle.

The need to waive normal procurement procedures is essential as there is defined time limit associated with the funding offer. If normal procurement procedures were undertaken there is a significant risk that the Council could not take advantage of this external funding opportunity.

8. BACKGROUND PAPERS

None

9. REPORT AUTHOR DETAILS

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